



City of Weatherford, TX Municipal Utility Board  
FY14 Annual Program of Services





# Municipal Utility Board Members

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Mayor Dennis Hooks — Chair, Concurrent with City Council

Bob Glen — Vice Chair

Ken Davis

James Dickason

Heidi Wilder — Concurrent with City Council

Howard McClurkin

Craig Swancy — Concurrent with City Council

# City of Weatherford Facts & Figures

## City Government

Year Founded	1855
Incorporated	1858
Charter Adopted	1918
Form of Government	Council-Manager

## Physiographic

Land Area (sq. mi.)	26.52
Long/Lat Range	32.759 ° N / 97.797° W
Public Parkland	

City Parks: *Cartwright, Cherry, Holland Lake, Marshal, McGratton, Miller, Love Street, Soldier Springs*

Trails: *Town Creek Hike & Bike Trail*

### Lake Weatherford

Pool Elevation (ft)	896
Surface Area (acres)	1,158
Maximum Depth (ft)	39

### Weather

Annual Rainfall (in)	34.7
Avg January Temperature	42° F
Avg July Temperature	84° F
Record High (Jun 1980)	119° F
Record Low (Dec 1989)	-10° F

## Demographic (2010 Census Bureau)

### Population Totals

2000	19,000
2005	23,050
2010	25,250
Change since 2000	32.9%

### By Sex

Male/Female	48.1%/51.9%
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### By Race/Ethnicity

White, non-Hispanic	81.2%
Hispanic or Latino	13.6%
Black	2.4%
Other	2.8%

### Age Distribution (years)

0-4	7.5%
5-17	17.5%
18-64	59.8%
65+	15.2%

### Income

Median Household	\$45,227
Below Poverty Level	15.1%

### Other

Households	9,572
Persons per Household	2.39



## Education

### Weatherford ISD Enrollment

K-6	3,461
7-8	1,160
9-12	2,207

### Weatherford College Enrollment

Total Enrollment	5,676
Male/Female	39%/61%

### Educational Attainment (25 years and older)

High School Graduates	81%
Bachelor's Degree or Higher	23%

## Employment

Civilian Labor Force	12,822
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### Unemployment Rate

Average Annual (10 year)	5.4%
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### Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	486
Parker County	485
Jerry's Transportation Center	420
City of Weatherford	356
Wal-Mart	350
Weatherford College	298

## Economic

### Business & Retail (2007)

Number of firms	3,829
Women-owned firms	25%
Manufacturer Shipments (\$1000)	\$211,430
Merchant wholesaler sales (\$1000)	\$317,299
Retail Sales (\$1000)	\$1,031,970
Retail sales per capita	\$40,362

### Housing

Median value, owner-occupied home	\$128,500
New Single-Family Building Permits (October 2011-September 2012)	109
Additions/Remodel Permits (October 2011-September 2012)	194

### Tourism

Hotels (#)	23
Meeting/Event Spaces (#)	8

Attractions and Theaters: *Chandor Gardens, Clark Gardens, Greenwood Farm, Sheriff's Posse Rodeo, Weatherford Farmer's Market, The Doss Heritage & Culture Center, Old Greenwood Cemetery, Museum of the Americas, City Lights Theater, Theater Off the Square, The Texas Opry*

2012 Events and Festivals: *Weatherford Blooms, Parker County Sheriff's Posse Rodeo, Parker County Peach Festival, Ranch Rodeo, Hometown Heritage Stampede, Christmas Parade, Christmas on the Square, Candelight Tour of Homes*

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# FY14 Budget City Manager's Message

July 25, 2013

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY14 proposed budget is hereby submitted for review and consideration. The budget that follows will provide for operations and maintenance of the Weatherford Municipal Utility System from October 1, 2013, through September 30, 2014. It has been developed under the principles and guidance of sound budgeting practices. Said practices assure that revenues are realistically estimated to cover the cost of essential utility services while leaving a prudent amount of working capital for emergency or unforeseen circumstances.

Estimated revenues from the operation of the City's electric, water, and wastewater utility systems for FY14 are \$35.8 million, \$10.26 million, and \$4.66 million, respectively. This total of \$50.7 million in operating revenues is an increase of 10% from the FY13 adopted budget, and 12% from current end-of-year projections. This reflects an expected increase in the purchase cost of power as well as an expected increase in water sold from the FY13 budget. As with FY13, the City's electric, water, and wastewater systems are all self-sustaining entities, able to meet their full operating costs with their separate utility charges.

Normal system working capital balances should be no less than 60 days of operating expenditures. For FY14, the City is proposing that it adjust its days of working capital calculation to discount the cost of purchased power. Because purchased power is a direct pass through to the utility customers (a cost which fluctuates from year to year), requiring the utility to keep reserves for the pass-through expense inflates the actual cash balance it needs to keep on hand. In addition, because the purchased power expense can fluctuate significantly from year to year, the amount of days a particular reserve balance can cover will also fluctuate greatly, making it difficult for consistent budgeting. Discounting this cost when factoring reserve requirements is a practice which is consistent with other major municipal utilities in the state of Texas.

**"The budget also includes new and expanded programs which will provide better services, more efficient operations, and improved morale among staff members."**

Current projections place the ending working capital balance for September 30, 2014, at \$10,166,268, or 138 days of operations. This balance contains various reserves, including:

- Automated Meter Infrastructure reserve of \$1,750,000;

- Contribution to the Electric Rate Stabilization Reserve of \$1,000,000; and

- Sixty-day target reserve of \$4,414,500.

Additionally, four line items contain budgets that, if they are not expensed in FY14, will be held in reserve. Those are:

- Lake Lot License Capital reserve of \$200,000

- Tarrant Regional Water District reserve of \$128,939

- Electric Vehicle Reserve of \$100,000

- Electric West Substation Reserve of \$250,000

# FY14 Budget City Manager's Message

The fund is projected to have \$3,001,768, or 41 days, above required reserve amounts at the end of FY14.

The total proposed budget for the Weatherford Municipal Utility is \$55.5million, including \$2.8 million in various one-time expenses, and \$2.75 million in one-time reserve contributions. Section D details the breakdown of the fund's operational departments, including organizational charts, mission statements, objectives, performance measures, and line-item budget detail. Among the major changes you will find in this budget are:

- Continued adjustments related to the use of lake lot license fees.

- Adjustment in the calculation of days working capital

- A proposal to reserve excess working capital from the change in calculation for the multi-year Automated Meter Infrastructure project and the Electric Rate Stabilization.

These adjustments were primarily made to create a cleaner budgeting process and help place the utility fund in a position to better plan for long-term sustainability. This budget also includes new and expanded programs which will provide better services, more efficient operations, and improved morale among staff members. Among those changes are:

- A 2% cost-of-living increase package for employees, effective January 1, 2014;

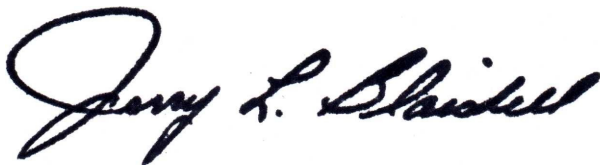
- Continuing the automated meter program which will improve the efficiency of meter reading operations, mitigate issues with water loss and leakage, and reduce long-term operating costs;

- Continued reserve funding for large capital electric system projects and vehicle/equipment replacement; Infrastructure upgrades and the addition of one staff member in the Water Plant to improve customer service; and

- Needed maintenance to important water/wastewater systems.

In conclusion, I wish to thank each department director and supervisor who spent many hours in the preparation of this budget. I especially wish to thank Assistant City Manager Sharon Hayes, who provided invaluable assistance during this process. The Weatherford Municipal Utility has achieved great things during the current fiscal year. With the leadership of the Municipal Utility Board, each utility is continuing to be self-sufficient, and the adjustment to the fund's working capital calculation will enable for more efficient, stable planning from year to year. These are significant steps in the right direction toward providing outstanding services at the best possible cost.

Respectfully submitted,



Jerry Blaisdell  
City Manager

## Schedule of Changes

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On July 25, 2013, the City Manager's Office presented the FY14 Proposed Municipal Utility Fund Program of Services to the Utility Board. The Board has held several work sessions and one public hearing to discuss any modifications to the budget. Below is a summary of the agreed-upon changes to the Municipal Utility Fund FY14 Program of Services:

Reduced consumption expectations for the Water Utility resulted in \$379,160 less in budgeted revenue and \$193,158 less in related budgeted expenses.

Additionally, the Fund reduced its revenue expectations for the Waste Water Utility in the amount of \$80,876, while increasing anticipated gross receipts tax/return on investment expenses for the Waste Water Utility in the amount of \$28,146.

Finally, Water/Waste Water Maintenance budget reduced by \$90,000, as the funds for a truck replacement were not needed.

The above changes result in a \$255,011 net decrease to proposed expenses for the FY14 Municipal Utility Program of Services below what was proposed to the Board on July 25. Additionally, the changes resulted in decreased revenue expectations for the Fund in the amount of \$460,036.



# FY14 Budget Calendar

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1

**Budget Kickoff**

Staff meeting to outline the budget process and methodology, provide target budgets, and distribute forms.

Apr.  
2013

2

**Departmental Budget Submissions**

Department budget items submitted to Office of Management & Budget (OMB).

Apr.  
2013

3

**Budget Development**

Administration and staff begin discussing budget submissions and, incorporating City Council priorities, develop the proposed budget.

Jun.  
Jul.

4

**Budget Submission**

The City Manager's proposed FY14 budget is presented to the Utility Board.

Jul.  
25

5

**Budget Work Sessions Held**

Several public work sessions are held to discuss the proposed budget and incorporate any changes recommended by the Board .

Aug.  
Sep.

6

**Adopt Utility Fund Budget**

Following extensive discussion in August and September, the Utility Board adopts the budget for the following year.

Sept. 26

7

**The Fiscal Year Begins.**

Oct. 1

# Budget Process & Methodology

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## Overview

This budget document serves as the annual operating plan for the Weatherford Municipal Utility during the fiscal year beginning October 1, 2013, and ending September 30, 2014 (FY14). The funding choices made for FY14 were the result of hundreds of hours of deliberation at various levels: from each individual department to the City Manager and his executive team to the Utility Board and the people. This budget reflects not just the specific financial controls, management information, and policy development information it contains. It is a reflection of the values and goals of the community of Weatherford, Texas. The process by which it was developed was designed to produce a forward-thinking, results-oriented plan for the coming year.

## Purpose of the Budget Process

The purpose of the budget process is to identify and assure compliance with policies dictated by State law, the City Charter, City Ordinances, and administrative procedures. The aim of these policies is to achieve long-term growth and stability within a positive financial condition. These guidelines give direction to administration and staff in planning and directing the Utility's day-to-day financial affairs and in developing financial and management recommendations to the Utility Board. They provide a strategic framework for evaluating both current and proposed activities by preserving the long-standing principles, traditions, and practices of the City of Weatherford.

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. Being an annual process, budgets are influenced by many factors, including current and projected economic conditions, decisions made in prior budgets, current needs, and long-term goals.

The Municipal Utility Budget is adopted on a **modified accrual basis** consistent with general accepted accounting principles as promoted by the Governmental Accounting Standards Board, with exceptions including that depreciation is not included in the budget, capital purchase are budgeted within the year of appropriation, and debt principal is included. Revenues are included in the budget in the year they are expected to become measureable and available. Expenses are included in the budget when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget.

The budget process establishes levels of control as well. Once approved, department staff has the ability to adjust their budgets by transferring funds from one line-item to another within appropriated levels by submitting a budget transfer request, which is reviewed by the Office of Management & Budget (OMB) and the City Manager. However, any revisions which alter the total appropriation level for a department must be approved by the Utility Board.

## Objectives of All Budgets

While every year brings different goals and challenges, all budgets are developed with the following shared objectives:

**Realistically Estimated Revenues:** Each revenue source has been analyzed and estimated realistically to ensure that the practice of conservatism in revenue projections is maintained.

**Efficient, Equitable, and Adequate Funding for Services:** Each service receiving funding should be given adequate

resources to provide quality levels of service. To achieve this goal, some proposals or programs requested by departments are not recommended in the budget. In some cases, alternative requests may be funded at a lesser amount or delayed while utilizing existing services where possible.

**Sound Financial Planning:** Maintenance of adequate unallocated fund balances and reserves for unanticipated events or future allocations is important. Sufficient resources should exist for maintaining adequate balances and for meeting cash-flow requirements while providing the ability to respond to unforeseen circumstances. To achieve this goal, some expenditure requests are not recommended for funding, or are recommended at a lower level than requested. Reserve requirements for each fund are specified in the Financial Management Policy Statements.

## Objectives Specific to This Budget

### Continue Self-Sufficiency of all Utilities

The FY13 Municipal Utility budget represented a transition year, in that all three utilities were able to collect enough revenue to cover their operational expenses, eliminating any cross-subsidization. The third and final year of rate adjustments (occurring in FY13) helped to achieve this goal. FY14 continues this trend, as each utility is wholly self-sufficient for their operational expenses.

### Addressing Asset-Related Issues

The Weatherford Municipal Utility currently maintains approximately 207 miles of sanitary sewer lines, 272 miles of water mains, and 326 miles of electric distribution lines. In addition to this widespread infrastructure network, the utility is also responsible for maintaining:

- one wastewater treatment plant,
- 9,881 sewer service connections,
- 10,721 water service connections,
- 1,355 fire hydrants, and
- 13,560 electric service connections
- one water treatment plant
- 4 electric substations

Every utility system runs on a large network of assets such as these, and thus must budget ongoing repair and replacement costs to keep the system functioning properly. As with any asset-rich enterprise, the utility's infrastructure has been subject to routine wear and tear, sometimes leading to costly repair or replacement costs.

A summary of the repair and replacement costs budgeted in the operating fund can be found on the following page.



## Budget Process & Methodology (cont'd)

Please note that the nature of these costs differ from large-scale capital improvements, which are covered by utility revenue bonds. For more information on those, please see the Appendix A.

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Specialized Equipment (\$)	1,206,978	129,890	1,207,014	2,543,882
Land/Right of Way (\$)	-	-	20,000	20,000
Utility Line Repairs (\$)	220,000	240,000	1,205,000	1,665,000
Meters (\$)	89,000	11,000	60,000	160,000
Transformers (\$)	-	-	325,000	325,000
<b>Totals (\$)</b>	<b>1,515,978</b>	<b>380,890</b>	<b>2,817,014</b>	<b>4,713,882</b>

Specific items included for replacement are lift station pumps, chlorine analyzers, SCADA equipment, as well as increased maintenance on utility lines.

### Vehicles and Major Equipment

One of the largest expense areas in any operating fund will be for rolling assets, including passenger vehicles as well as specialized large-scale equipment. All three utilities have a substantial amount of rolling asset replacements budgeted for FY14. A brief breakdown is as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Vehicles (\$)	127,753	272,723	207,453	607,929

### Automated Meter Infrastructure Program

The Automated Meter Infrastructure program will continue in FY14. This program will purchase and install meters and communications infrastructure, enabling the city to read meters remotely. Benefits of this program are that it will give the customer access to their billing information at all times, allow meter re-reads to be accomplished without sending personnel to the site, potentially allow time-of-use rates to be implemented in the future, provide for more responsive outage management, and more efficiently manage meter tampering. It is expected that the program will result in system efficiencies and cost avoidance for hiring additional personnel as the system expands.

The FY14 cost for the Automated Meter Infrastructure Pilot Program are as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Automated Meter Infrastructure Program (\$)	719,014	-	719,014	1,438,028

\*These costs will occur this fiscal year, as opposed to the \$1.75m that will be placed in a reserve for future AMI costs.

## West Substation Reserve

Much like the water utility, growth and development in the city will result in increased electric customer demand, which will eventually necessitate the construction of a new substation. In order to reduce the utility's need to issue debt, the electric utility will be setting aside \$250,000 each year in anticipation of constructing the substation and purchasing substation equipment. Funds are budgeted in the Electric Distribution cost center (454). This is the second year for this reserve.

## Water Plant Efficiencies

The Utility Board approved numerous efficiencies for the water plant, designed to enhance customer service. The first of these enhancements is an additional Water Operator position. This new position will be used to help staff the multiple water plant shifts more adequately for service and safety. This will help reduce downtime for plant operations. Additionally, the plant will replace, install, and begin using 2 new variable frequency drives to help mitigate service interruptions, and ensure continuity for our customers.

## Staff Compensation

As with all General Fund employees, Utility Fund personnel have gone several years without a pay adjustment. For the FY14 budget, the Utility Board approved a 2% across-the-board pay increase for cost-of-living adjustments. This is estimated to cost the Utility Fund approximately \$99,500 in ongoing dollars.

## Long-Term Personnel Cost Control

The Texas Municipal Retirement System contains a benefits provision whereby each retiree's annuity increases by a certain percent of inflation. This percent is defined by each particular employer, and throughout its existence, Weatherford has granted its retirees the maximum amount of this benefit: an increase of 70% of annual inflation. Because this increase is automatic, it is included in the budget before any other considerations are made. In order to help control costs, this budget includes a proposal to reduce the automatic cost-of-living adjustment for retirees from 70% of inflation to 50%. This proposal does not result in a decrease in existing benefits, but rather a *slight reduction to the growth of future benefits*. By making this adjustment, the city's retirement contributions will stabilize at a rate nearly 2.5 percentage points lower than current levels, reducing our long term structural personnel costs while representing only a small decrease in the growth of future benefits.

## Cost of Service Study

While the Utility Fund has come a long way in the past several years to a point of stability for all three utilities, there are still some issues that need to be addressed. During the initial cost of service study, it was determined that the City should be replacing approximately 2% of its asset value each year. However, as the table below shows, both the Water and Waste Water utilities are significantly shy of that target. To help address this ongoing repair and replacement issue, the Utility Board has authorized the fund to update its cost of service study. This will allow staff to obtain an accurate look at the true cost of running our utilities, which will in turn help set rates for the future years. Please note that

# Budget Process & Methodology (cont'd)

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in certain instances, bond proceeds may be used for R&R projects. The below amounts do not reflect that.

	FY12 Asset Value (Less Machinery)	2% R&R Target (Rate Model)	FY14 Budget	Shortfall
Water (\$)	78m	1.6m	800k	-800k
Waste Water (\$)	36m	713k	381k	-329k
Total (\$)	114m	2.3m	1.2k	1.13m

## Lake Lot Licenses

The Utility Fund is in year three of a four-year-plan to capture Lake Lot License revenue (approximately \$915,000 annually) to reserve for specific purposes. Those purposes are as follows:

1. First, to pay for any cost of pumping water above \$110,585;
2. To reserve up to \$200,000 for lake improvement projects;
3. And to reserve the remainder for general Water and Waste Water capital projects.

The Utility Fund is set to reserve 75% of this revenue (\$686,250) for these purposes in FY14. Because all of that revenue will be reserved next fiscal year, the remaining 25% that will not be reserved for FY14 is counted as one-time revenue.

## Future Budget Processes

The final transitional aspect of the FY14 budget has been to set the stage for a long-term oriented, strategically focused budget process. During FY14, the Utility Board will engage a strategic planning consultant to help with a long-term growth strategy. The results of this strategy will be incorporated into the budget process in the following ways:

### Strategic Priorities

The Municipal Utility is facing a city that is growing and developing more each year. This has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the West Sub Station, continuing to reserve Lake Lot License revenue for specific purposes, bolstering the Electric Utility's rate stabilization fund, adjusting working capital to discount the pass-through cost of purchased power, and funding the automated metering infrastructure program.

In order to insure the system grows in an efficient, calculated manner, staff will be working with the Board on a strategic plan for the utility throughout FY14. A strategic plan will allow for more targeted prioritization of future budget requests and allocation of additional revenue capacity.



## Enhanced Performance Measurement

Performance measurement figures can be found throughout the department summary pages in this document. A comprehensive performance measurement program is necessary for staff, managers, and directors to identify and correct operational weaknesses and inefficiencies, as well as report higher level performance statistics to key stakeholders, such as the Utility Board and rate payers. Currently, this document is the sole source for reporting performance measures to the public. However, staff will refine and expand these measures in FY14 as well as begin a process of reporting performance more frequently.





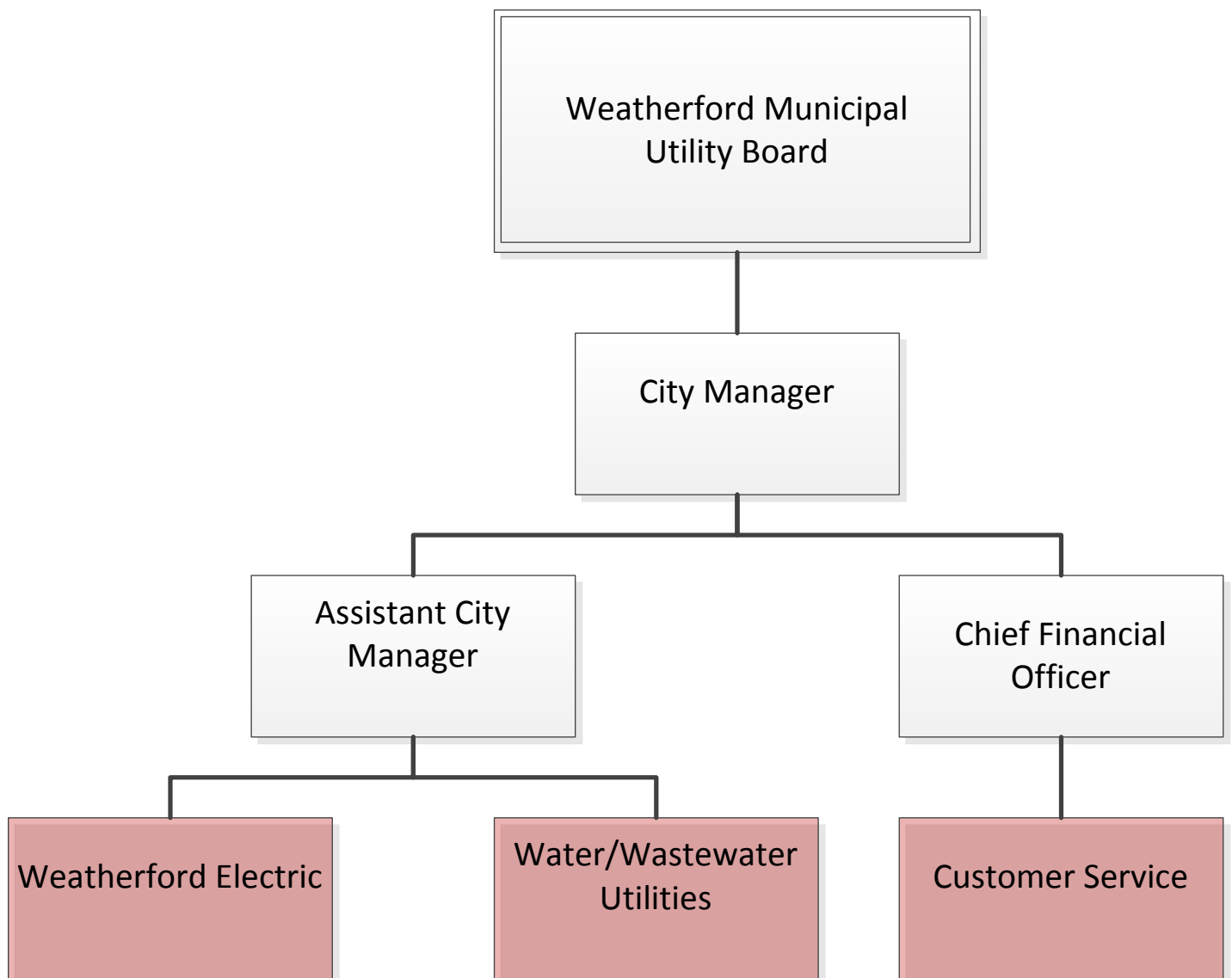






# Municipal Utility Fund

The Municipal Utility Fund has more budgeted expenditures than any other fund. Enterprise funds are accounting units that operate similarly to private business entities. The intent of the governing body is to finance the provision of goods or services to the public on a continuing basis through user charges. Funding for utility system operations comes from monthly billing to customers for the utility services delivered. In addition to the three utility services (electric, water, and wastewater), this fund also includes operational costs for utility billing services and a small portion of the city's Information Technology (IT) budget and Finance budget. The governing board is responsible for providing oversight and setting service rates such that ongoing operations, capital repair and expansion, and reserves are all maintained at an adequate level.



## FY14 Allocations of Administrative Functions

Shared or administrative functions are allocated to each utility for the purpose of showing the total cost of operating each utility. These allocated functions include Customer Service and Information Technology.

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<u>Administrative Function</u>	<u>Cost Center</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
Customer Service	205	40%	31%	29%
Information Technology	423	33%	33%	33%

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The water & wastewater utilities are tightly connected, sharing resources and personnel. Some of the costs for these two utilities are located in the same cost center. In order to correctly account for the total cost of providing each utility, portions of those cost centers are allocated to either utility. The FY14 allocations for these cost centers is below.

### Water/Wastewater Administration

Cost Center 402

Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

### Water/Wastewater Maintenance

Cost Center 405

Water is allocated 50% of the 100s accounts, 55% of the 200s accounts, 51% of the 300s accounts, and 42% of the 400s accounts. Wastewater is allocated 50% of the 100s accounts, 45% of the 200s accounts, 49% of the 300s accounts, and 58% of the 400s accounts.

### Water/Wastewater Rehabilitation

Cost Center 406

Water is allocated 50% of the 100s, 200s, and 300s accounts, and 49% of the 400s accounts, and wastewater is allocated 50% of the 100s, 200s, and 300s accounts, and 51% of the 400s accounts.

### Engineering

Cost Center 427

Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

**Municipal Utility Fund**  
**Revenue and Expense Summary**

	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Adopted FY13</b>	<b>Projected FY13</b>	<b>Proposed FY14</b>
<b>Beginning Available Working Capital</b>	<b>9,502,991</b>	<b>14,568,639</b>	<b>15,415,897</b>	<b>15,415,897</b>	<b>12,200,319</b>
<b>Revenue</b>					
Electric Utility					
Sale of Power	34,549,373	27,648,585	30,404,893	29,961,000	35,062,462
Interest & Other	715,492	1,339,500	785,107	704,007	740,115
<i>Subtotal Electric</i>	<i>35,264,864</i>	<i>28,988,084</i>	<i>31,190,000</i>	<i>30,665,007</i>	<i>35,802,577</i>
Water Utility					
Sale of Water - Retail	8,052,588	8,261,212	8,810,521	8,900,000	9,170,582
Sale of Water - Wholesale	158,023	153,735	68,599	80,000	68,599
Lake Lot Licenses	799,165	892,470	915,000	922,856	915,000
Water Taps	3,567	5,864	3,500	3,500	3,500
Interest & Other	78,300	601,379	68,849	79,675	97,648
<i>Subtotal Electric</i>	<i>9,091,642</i>	<i>9,914,660</i>	<i>9,866,469</i>	<i>9,986,032</i>	<i>10,255,329</i>
Wastewater Utility					
Service Fees - Retail	4,566,491	4,269,390	4,712,025	4,400,000	4,450,000
Service Fees - Wholesale	140,458	167,111	120,000	160,000	160,000
Wastewater Tap Fees	1,270	4,524	1,200	4,000	1,200
Pre-Treatment Fees	29,639	28,826	26,000	35,000	26,000
Interest & Other	3,326	163,398	2,000	5,000	20,748
<i>Subtotal Electric</i>	<i>4,741,183</i>	<i>4,633,250</i>	<i>4,861,225</i>	<i>4,604,000</i>	<i>4,657,948</i>
<b>Total Revenue</b>	<b>49,097,689</b>	<b>43,535,993</b>	<b>45,917,694</b>	<b>45,255,038</b>	<b>50,715,854</b>
<b>Expenses</b>					
Electric					
Administration	526,266	182,995	334,924	312,625	267,830
Distribution	2,918,400	5,244,798	7,137,285	7,033,903	6,902,270
Production	4,180	5,084	11,850	11,850	11,850
Warehouse	186,960	168,769	202,900	190,494	283,585
Non Departmental	26,750,580	21,392,323	23,229,249	23,787,714	28,665,759
<i>Subtotal Electric</i>	<i>30,386,385</i>	<i>26,993,968</i>	<i>30,916,208</i>	<i>31,336,585</i>	<i>36,131,294</i>
Finance					
Customer Service	1,039,791	974,536	1,156,800	1,132,929	1,146,656
<i>Subtotal Finance</i>	<i>1,039,791</i>	<i>974,536</i>	<i>1,156,800</i>	<i>1,132,929</i>	<i>1,146,656</i>
Information Technology					
Information Technology	1,141,706	556,072	27,873	27,870	27,873
<i>Subtotal Information Technology</i>	<i>1,141,706</i>	<i>556,072</i>	<i>27,873</i>	<i>27,870</i>	<i>27,873</i>

**Municipal Utility Fund**  
**Revenue and Expense Summary**

	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Adopted FY13</b>	<b>Projected FY13</b>	<b>Proposed FY14</b>
<b>Water</b>					
Administration	301,828	291,769	295,592	291,994	318,061
Water Treatment Plant	1,850,423	1,753,527	2,661,869	2,894,496	2,445,703
Water/WW Maintenance	824,629	998,399	1,336,016	1,265,976	1,228,601
Water/WW Rehabilitation	121,215	184,510	267,271	261,958	407,211
Engineering	207,796	259,009	291,803	292,943	256,358.
SIB Loan	-	391,966	-	-	-
Lake Maintenance	206,139	280,242	-	-	-
Non Departmental	2,583,482	4,090,187	6,646,283	6,661,813	6,019,322
<i>Subtotal Water</i>	<i>6,095,512</i>	<i>8,249,609</i>	<i>11,498,834</i>	<i>11,669,180</i>	<i>10,675,258</i>
<b>Wastewater</b>					
Administration	301,828	291,769	295,592	291,994	318,061
Water/WW Maintenance	800,305	955,524	1,106,795	1,155,066	1,272,455
Water/WW Rehabilitation	121,215	381,156	565,671	560,358	416,211
Engineering	207,796	259,009	291,803	292,943	256,358
SIB Loan	-	128,903	-	-	-
Wastewater Treatment Plant	777,837	808,617	1,012,542	977,484	1,010,386
Non Departmental	1,248,360	1,272,886	1,545,574	1,595,574	1,511,715
<i>Subtotal Wastewater</i>	<i>3,457,341</i>	<i>4,097,864</i>	<i>4,817,977</i>	<i>4,873,419</i>	<i>4,785,187</i>
<b>Total Expenses</b>	<b>42,120,735</b>	<b>40,872,049</b>	<b>48,417,692</b>	<b>49,039,983</b>	<b>52,766,268</b>
<b>Revenue Over/(Under) Expenses</b>	<b>6,976,954</b>	<b>2,663,945</b>	<b>(2,499,998)</b>	<b>(3,784,945)</b>	<b>(2,050,413)</b>
<b>GAAP &amp; Change in Non Budgetary</b>					
<b>Working Capital Adjustments</b>	2,348,475	(3,135,687)	201	-	-
<b>Release Reserved Fund Balance</b>	-	-	-	569,367	16,362
<b>Transfer from Other Funds</b>	37,832	-	-	-	-
<b>Contributions</b>	485,997	1,319,000	-	-	-
<b>Debt Service Costs</b>	(4,783,610)	-	-	-	-
<b>Ending Working Capital</b>	<b>14,568,639</b>	<b>15,415,897</b>	<b>12,916,100</b>	<b>12,200,319</b>	<b>10,166,268</b>

Notes:		
1. State Infrastructure Bank Loan P&I are budgeted in Water & Wastewater Non Departmental.	One-Time Costs	2,800,466
	Ongoing Costs	49,965,802
	Ongoing Surplus	521,303
2. Debt service payments for current and future years are shown in the expenses section.	AMI/Rate Stabilization Reserve	(2,750,000)
	60 Day Target Reserve	(4,414,500)
	Available Working Capital	3,001,768
3. Incoming transfers for current and future years are shown in the revenue section.	One Day Cost (Ongoing Costs/365)	73,575
4. Contribution to AMI Reserve and Rate Stabilization Reserve is budgeted in Electric Non-Departmental	Total Working Days	138
	Target Reserve	60
	Available Working Capital	41



**Municipal Utility Fund**  
**Electric Utility FY14 Operating Position**

	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Adopted FY13</b>	<b>Projected FY13</b>	<b>Proposed FY14</b>
<b>Revenue</b>					
Electric Utility					
Sale of Power	34,549,373	27,648,585	30,404,893	29,961,000	35,062,462
Interest & Other	715,492	1,339,500	785,107	704,007	740,115
<b>Total Revenue</b>	<b>35,264,864</b>	<b>28,988,084</b>	<b>31,190,000</b>	<b>30,665,007</b>	<b>35,802,577</b>
<b>Expenses</b>					
Electric					
Administration	526,266	182,995	334,924	312,625	267,830
Distribution	2,918,400	5,244,798	7,137,285	7,033,903	6,902,270
Production	4,180	5,084	11,850	11,850	11,850
Warehouse	186,960	168,769	202,900	190,494	283,585
Non Departmental*	26,750,580	21,392,323	23,229,249	23,787,714	28,665,759
<i>Subtotal Electric</i>	<i>30,386,385</i>	<i>26,993,968</i>	<i>30,916,208</i>	<i>31,336,585</i>	<i>36,131,294</i>
Allocated Functions					
Customer Service	412,908	386,995	459,373	449,894	455,345
Information Technology	380,569	185,357	9,291	9,290	9,291
<i>Subtotal Allocated Functions</i>	<i>793,477</i>	<i>572,352</i>	<i>468,664</i>	<i>459,184</i>	<i>464,636</i>
<b>Total Expenses</b>	<b>31,179,862</b>	<b>27,566,320</b>	<b>31,384,872</b>	<b>31,795,769</b>	<b>36,595,930</b>
<b>Revenue Over/(Under) Expenses</b>	<b>4,085,002</b>	<b>1,421,764</b>	<b>(194,872)</b>	<b>(1,130,762)</b>	<b>(793,353)</b>

One-Time Expenses	1,050,967
Ongoing Revenues	35,802,577
Ongoing Expenses	35,544,963
Net Operating Gain/(Loss)	257,614

\*Contributions to the AMI Reserve and Rate Stabilization Reserve budgeted in Non-Departmental.

**Municipal Utility Fund**  
**Water Utility FY14 Operating Position**

	Actual FY11	Actual FY12	Adopted FY13	Projected FY13	Proposed FY14
<b>Revenue</b>					
Water Utility					
Sale of Water - Retail	8,052,588	8,261,212	8,810,521	8,900,000	9,170,582
Sale of Water - Wholesale	158,023	153,735	68,599	80,000	68,599
Lake Lot Licenses	799,165	892,470	915,000	922,856	915,000
Water Taps	3,567	5,864	3,500	3,500	3,500
Interest & Other	78,300	601,379	68,849	79,675	97,648
<b>Total Revenue</b>	9,091,642	9,914,660	9,866,469	9,986,032	10,255,329
<b>Expenses</b>					
Water					
Administration	301,828	291,769	295,592	291,994	318,061
Water Treatment Plant	1,850,423	1,753,527	2,661,869	2,894,496	2,445,703
Water/WW Maintenance	824,629	998,399	1,336,016	1,265,976	1,228,601
Water/WW Rehabilitation	121,215	184,510	267,271	261,958	407,211
Engineering	207,796	259,009	291,803	292,943	256,358
SIB Loan	-	391,966	-	-	-
Lake Maintenance	206,139	280,242	-	-	-
Non Departmental	2,583,482	4,090,187	6,646,283	6,661,813	6,019,322
<i>Subtotal Water</i>	<i>6,095,512</i>	<i>8,249,609</i>	<i>11,498,834</i>	<i>11,669,180</i>	<i>10,675,258</i>
Allocated Functions					
Customer Service	326,339	305,858	363,062	355,570	359,879
Information Technology	380,569	185,357	9,291	9,290	9,291
<i>Subtotal Allocated Functions</i>	<i>706,908</i>	<i>491,216</i>	<i>372,353</i>	<i>364,860</i>	<i>369,170</i>
<b>Total Expenses</b>	6,802,420	8,740,825	11,871,187	12,034,041	11,044,427
<b>Revenue Over/(Under) Expenses</b>					
	2,289,222	1,173,835	(2,004,718)	(2,048,009)	(789,098)

One-Time Expenses	1,157,485
One-Time Revenues*	228,750
Ongoing Revenues	10,026,579
Ongoing Expenses	9,886,942
Net Operating Gain/(Loss)	139,638

\* This will be the last year to rely on Lake Lot License revenue for operations

**Municipal Utility Fund**  
**Wastewater Utility FY14 Operating Position**

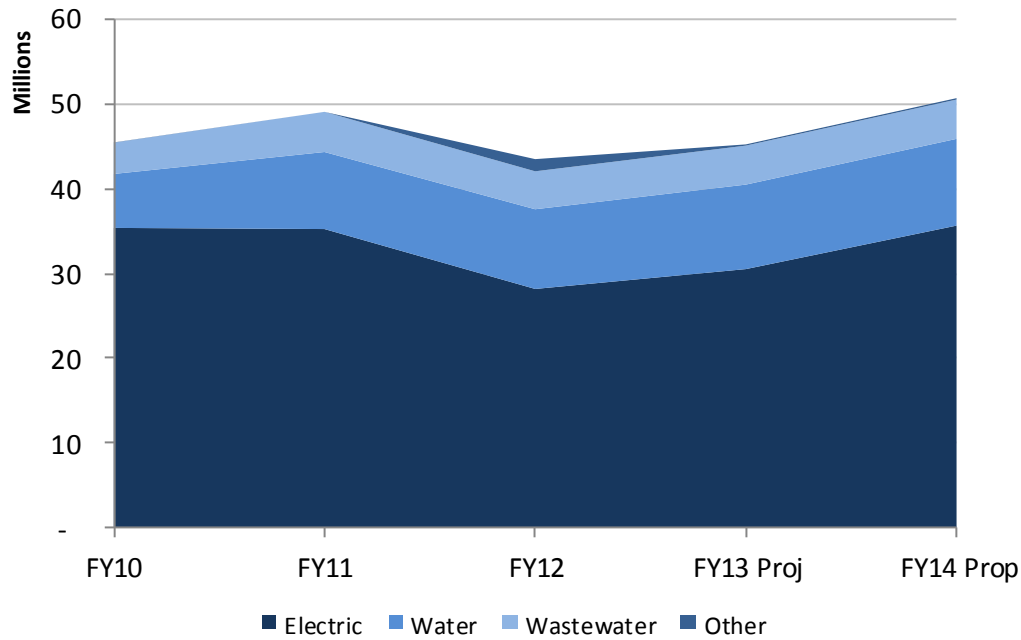
	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Adopted FY13</b>	<b>Projected FY13</b>	<b>Proposed FY14</b>
<b>Revenue</b>					
Wastewater Utility					
Service Fees - Retail	4,566,491	4,269,390	4,712,025	4,400,000	4,450,000
Service Fees - Wholesale	140,458	167,111	120,000	160,000	160,000
Wastewater Tap Fees	1,270	4,524	1,200	4,000	1,200
Pre-Treatment Fees	29,639	28,826	26,000	35,000	26,000
Interest & Other	3,326	163,398	2,000	5,000	20,748
<b>Total Revenue</b>	<b>4,741,183</b>	<b>4,633,250</b>	<b>4,861,225</b>	<b>4,604,000</b>	<b>4,657,948</b>
<b>Expenses</b>					
Wastewater					
Administration	301,828	291,769	295,592	291,994	318,061
Water/WW Maintenance	800,305	955,524	1,106,795	1,155,066	1,272,455
Water/WW Rehabilitation	121,215	381,156	565,671	560,358	416,211
Engineering	207,796	259,009	291,803	292,943	256,358
SIB Loan	-	128,903	-	-	-
Wastewater Treatment Plant	777,837	808,617	1,012,542	977,484	1,010,386
Non Departmental	1,248,360	1,272,886	1,545,574	1,595,574	1,511,715
<i>Subtotal Wastewater</i>	<i>3,457,341</i>	<i>4,097,864</i>	<i>4,817,977</i>	<i>4,873,419</i>	<i>4,785,187</i>
Allocated Functions					
Customer Service	300,544	281,682	334,364	327,465	331,432
Information Technology	380,569	185,357	9,291	9,290	9,291
<i>Subtotal Allocated Functions</i>	<i>681,113</i>	<i>467,040</i>	<i>343,655</i>	<i>336,755</i>	<i>340,723</i>
<b>Total Expenses</b>	<b>4,138,454</b>	<b>4,564,903</b>	<b>5,161,632</b>	<b>5,210,174</b>	<b>5,125,910</b>
<b>Revenue Over/(Under) Expenses</b>	<b>602,729</b>	<b>68,346</b>	<b>(300,407)</b>	<b>(606,174)</b>	<b>(467,962)</b>

One-Time Expenses	592,014
Ongoing Revenues	4,657,948
Ongoing Expenses	4,533,897
Net Operating Gain/(Loss)	124,051

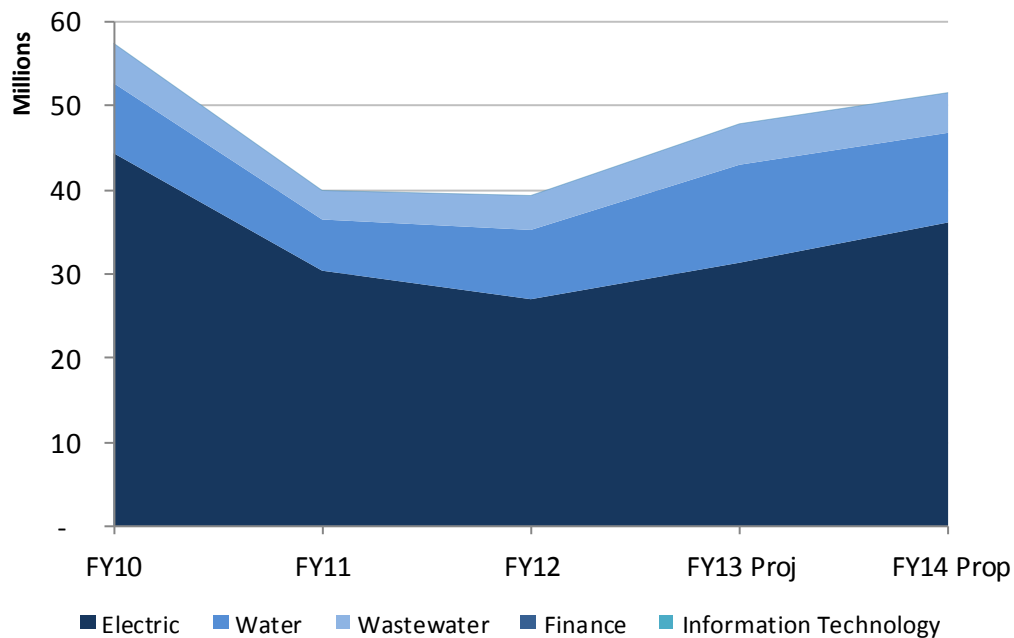




Historical Fund Revenues by Utility (millions)

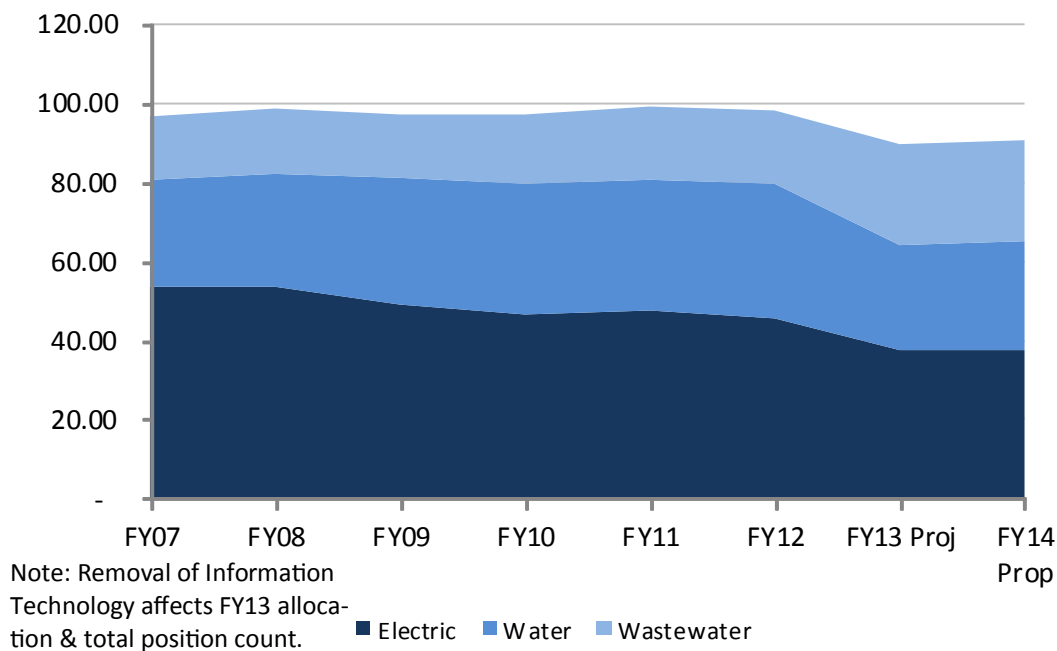


Historical Fund Expenses by Utility (millions)

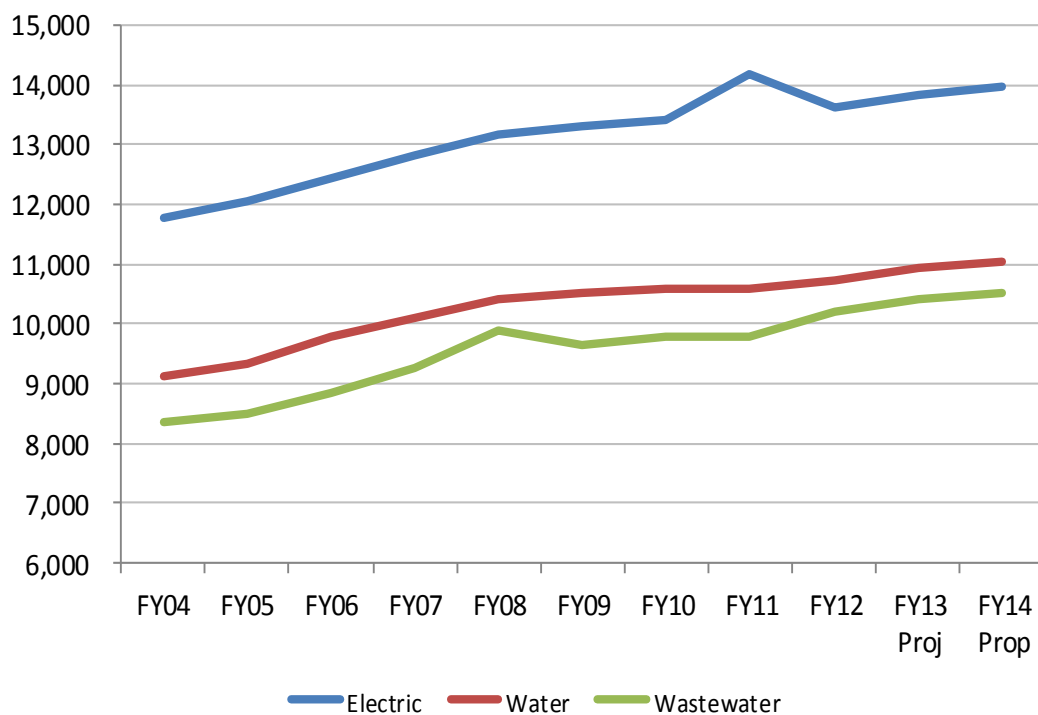




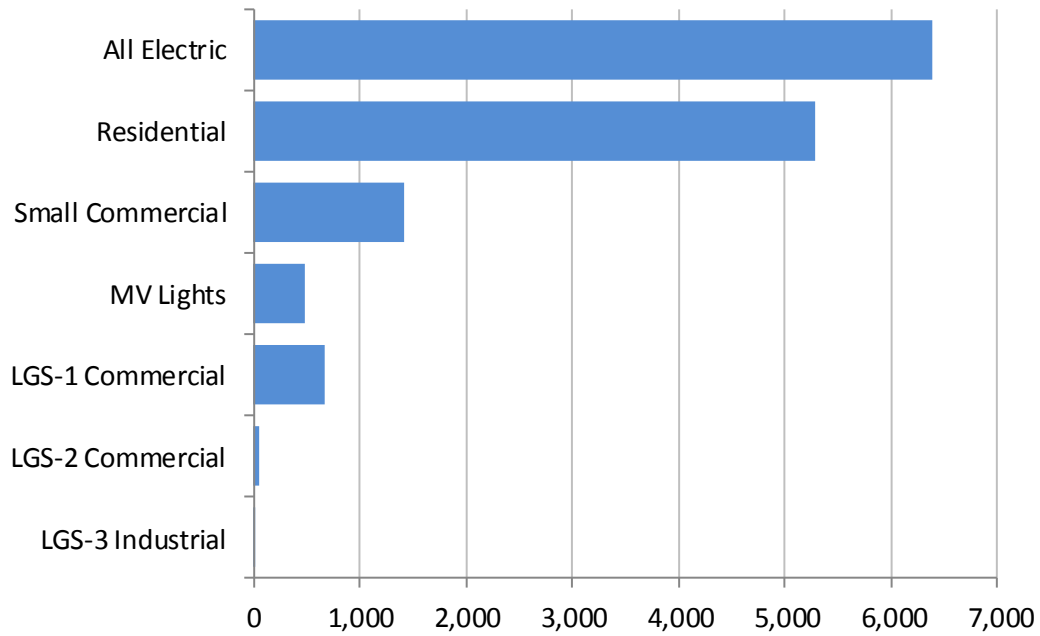
Historical Personnel (FTE) by Utility



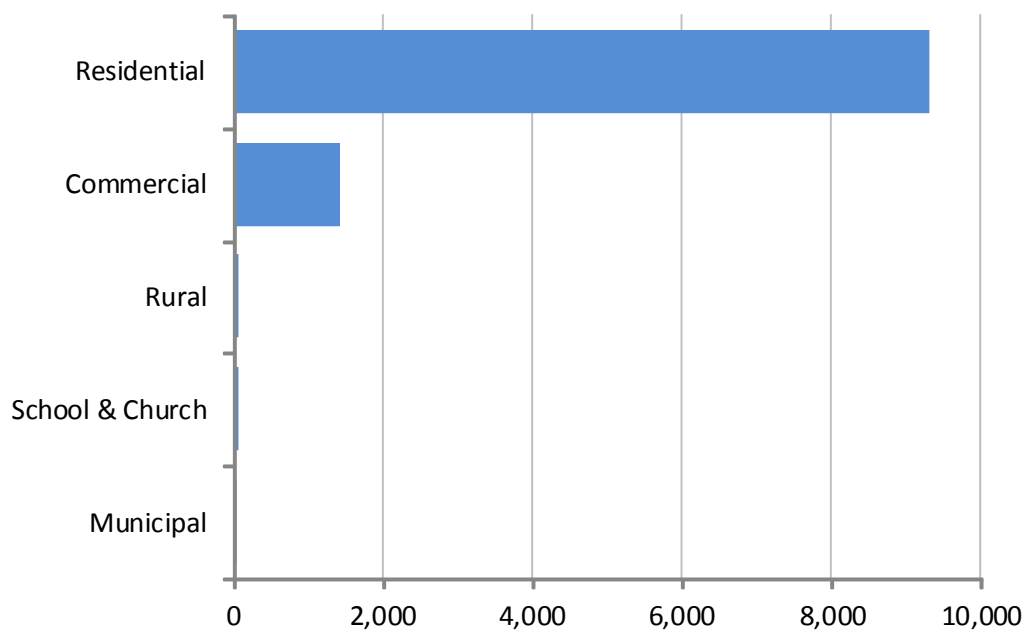
Historical Number of Customers by Utility



FY13 Electric Customers by Class

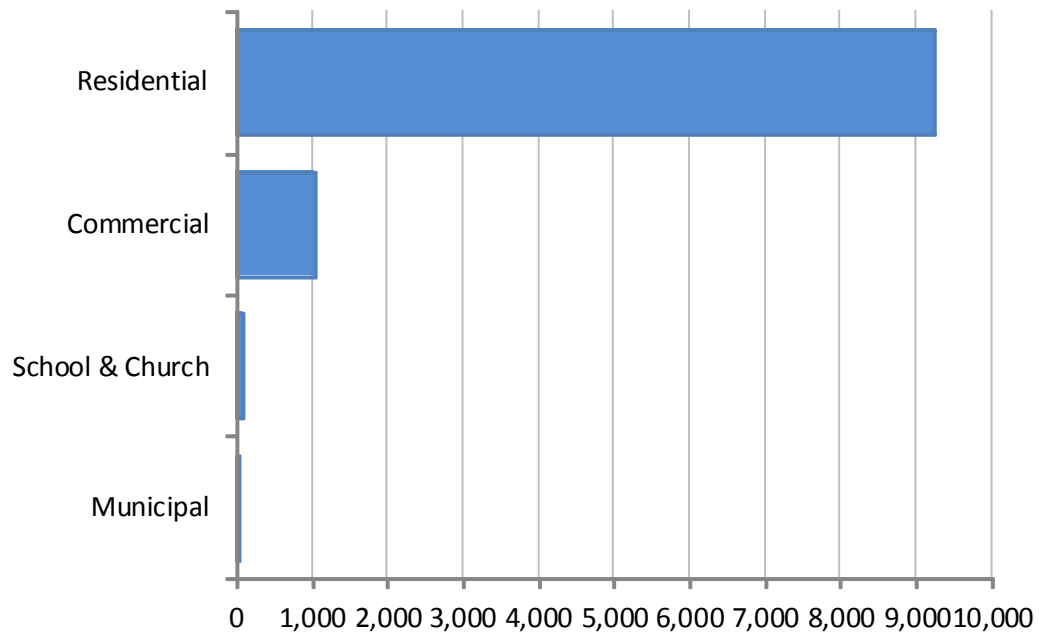


FY13 Water Retail Customers by Class

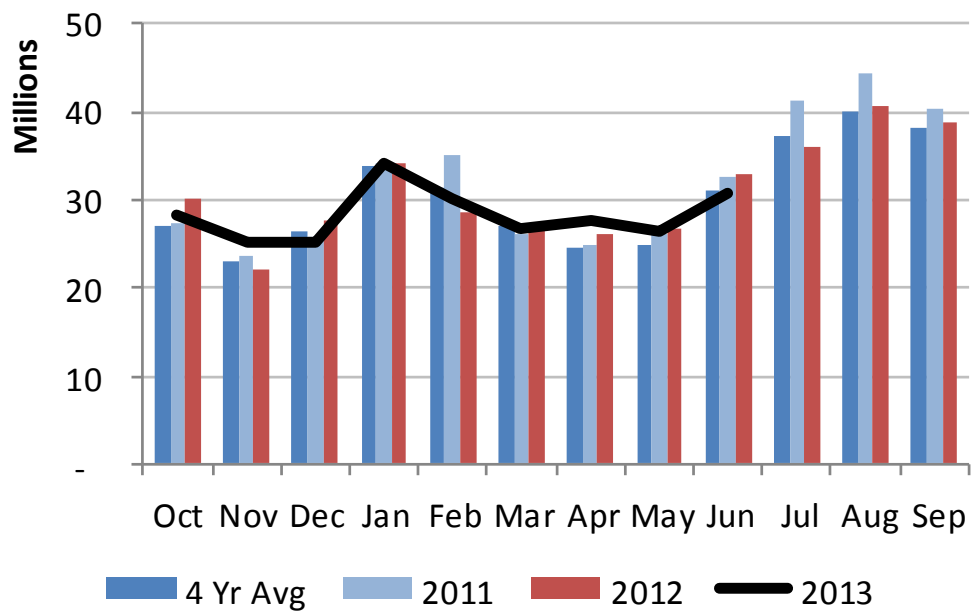




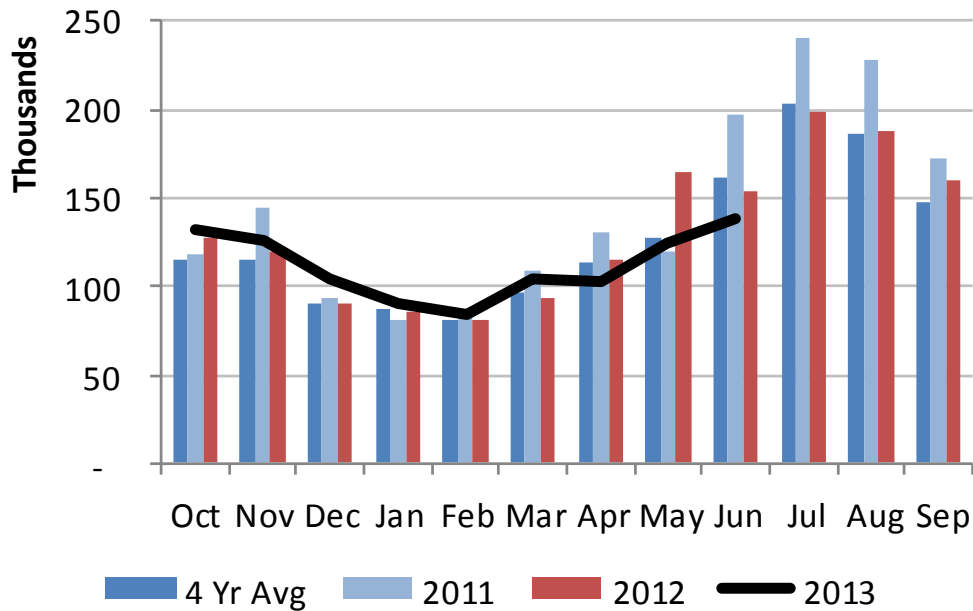
FY13 Wastewater Customers by Class



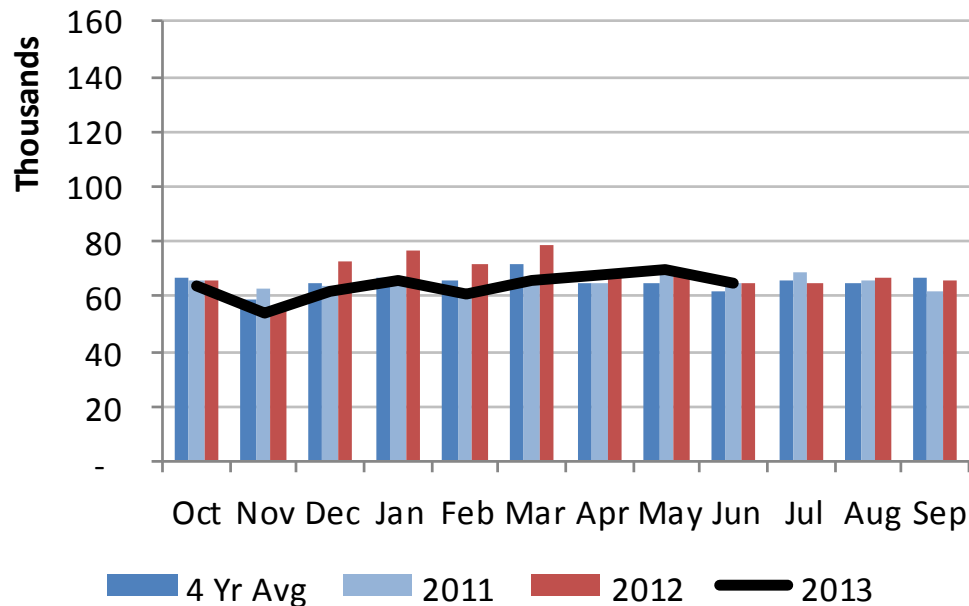
FY13 Electric Consumption vs. Historical (millions)

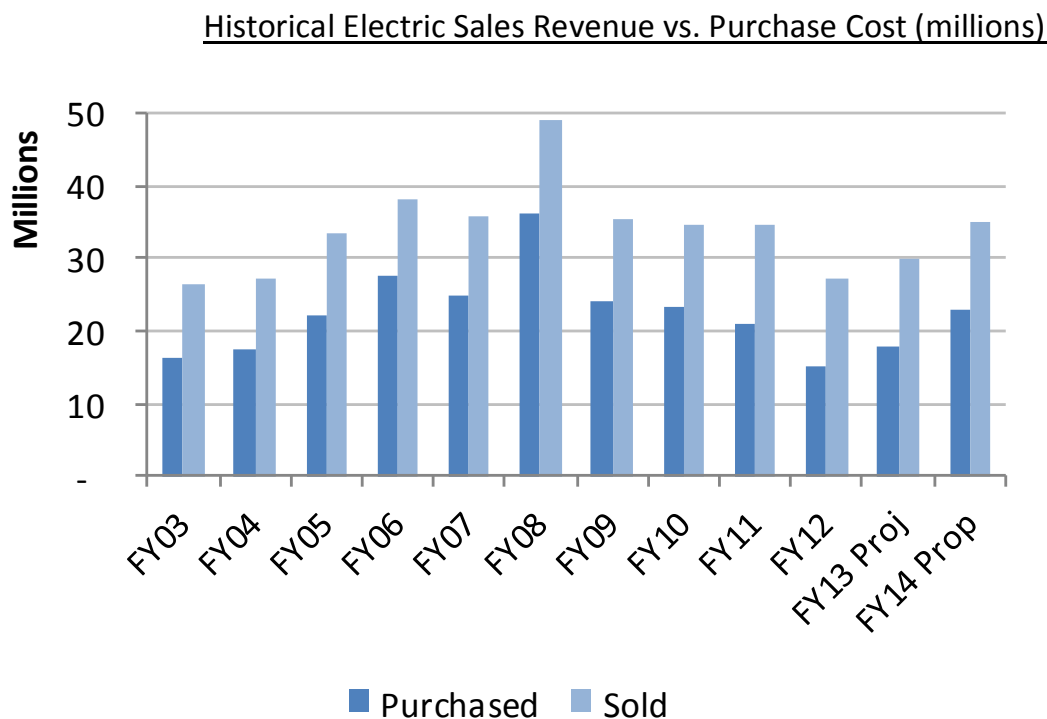


FY13 Water Consumption vs. Historical (thousands)



FY13 Wastewater Consumption vs. Historical (thousands)





The chart above shows the difference between the cost to purchase power and the revenue from power sold. The difference between these two items represents the bulk of the available operating revenue for the electric utility. Historically, these data have been shown in a manner that emphasized the percent margin between the costs and revenues. However, the percent margin is highly dependent upon a variety of items that do not affect revenue available for operations, most notably the price of gas.

The Weatherford Electric Utility has the ability to produce electricity for distribution, but it is often more cost effective to operate as a pass-through entity. As such, the electric rate is comprised primarily of two components: one portion represents the pass-through cost for purchasing power, and the other represents the operational costs of running and maintaining the utility.

The portion of the rate that acts as a pass-through fluctuates depending on the cost of purchasing power. When the purchase cost increases or decreases, the electric rate passes those costs or savings to the consumer. The other portion is used for operations of the utility, is set by the Municipal Utility Board, and largely remains constant throughout the year (although it may fluctuate slightly from month to month in order to stabilize the rate over the course of the year).

The most important variable that determines operating revenue is *actual* consumption of electricity versus *budgeted or expected* consumption. For that reason, this document emphasizes consumption and net operating revenue over percent margin.







## **Municipal Utility Fund Revenue Summary**

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The Municipal Utility Fund is an enterprise fund, and each utility is run similarly to a private business enterprise. As such, specific services are provided to customers, and revenues are generated based on charges for those services. In addition to direct service charges, there are a variety of other revenue sources available to each utility.

Electric Department revenues include service charges, interest income, pole rental charges, service initiation and transfer charges, late payment fees, and other miscellaneous items including transfers from other funds.

Water Department revenues include service charges for retail and wholesale customers, interest income, connection fees, lake lot leases, water tower license fees, and other miscellaneous items including transfers from other funds.

Wastewater Department revenues include service charges for retail and wholesale customers, interest income, tap fees, and other miscellaneous items including transfers from other funds.

**Electric System Revenues (\$)**

	<b>Actual FY12</b>	<b>Adopted FY13</b>	<b>Projected FY13</b>	<b>Proposed FY14</b>
Electric Utility	27,648,585	30,404,893	29,961,000	35,062,462
Returned Check Charges	8,880	10,000	10,000	10,000
Interest Income	44,217	25,000	45,000	25,000
Net Change In Fair Value - Invest	(16,533)	-	(14,863)	-
Sale Of Fixed Assets	2,275	-	1,500	-
Sale Of Salvage	-	5,000	5,000	5,000
Pole Rental - Cable TV	111,346	110,000	111,263	110,000
Late Payment Fees	148,313	160,000	140,000	160,000
Temp Connects & Reconnects	81,115	80,000	80,000	80,000
Service Initiation Fees	84,390	85,000	85,000	85,000
Service Transfer Fees	10,600	12,000	12,000	12,000
Electric Miscellaneous	69,896	120,000	100,000	120,000
Contrib In Aid Of Construction	136,003	100,000	100,000	100,000
Proceeds From Lease/Purchase Agr	562,891	-	-	-
Transfer From Utility Reserve	49,000	49,000	-	-
Electric Fiber Lease Fee	18,000	-	-	-
Transfer From Solid Waste	29,107	29,107	29,107	33,115
<b>Total Revenue</b>	<b>28,988,084</b>	<b>31,190,000</b>	<b>30,665,007</b>	<b>35,802,577</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.

**Water System Revenues (\$)**

	<b>Actual</b>	<b>Adopted</b>	<b>Projected</b>	<b>Proposed</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Inspection Service Fee	-	-	-	-
Wholesale Water Sales	153,735	68,599	80,000	68,599
Water Utility	8,261,212	8,810,521	8,900,000	9,170,582
Raw Water Sales	2,500	2,500	2,500	2,500
TRWD Pumping Pass-Through	-	-	-	-
Water Taps	5,864	3,500	3,500	3,500
Water Connection Fee	26,730	15,000	21,666	15,000
Sale Of Fixed Assets	9,396	-	-	-
Sale Of Salvage	13,520	-	400	-
Lake Lot Leases	892,470	915,000	922,856	915,000
Lake Lot Transfers	8,850	5,000	7,068	5,000
Lake Concession Rental	9,949	9,500	11,174	9,500
Water Tower License Fee	17,875	16,375	16,375	34,375
Shortages & Overages	96	-	18	-
Water Miscellaneous	5,988	8,000	8,000	15,770
State Infrastructure Bank Loan Proceeds	494,000	-	-	-
Transfer From Other Funds	12,474	12,474	12,474	15,503
<b>Total Revenue</b>	<b>9,914,660</b>	<b>9,866,469</b>	<b>9,986,032</b>	<b>10,255,329</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.



### Wastewater System Revenues

	Actual	Adopted	Projected	Proposed
	FY12	FY13	FY13	FY14
Sewer Fees	4,269,390	4,712,025	4,400,000	4,450,000
Pre-Treatment Fees	28,826	26,000	35,000	26,000
Sewer Taps	4,524	1,200	4,000	1,200
Non System Wastewater Maint	3,490	-	-	-
Non System Wastewater Svc Fee (Wholesale)	167,111	120,000	160,000	160,000
Sewer Miscellaneous	3,908	2,000	5,000	5,245
State Infrastructure Bank Loan Proceeds	156,000	-	-	-
Transfer From Solid Waste	-	-	-	15,503
Transfer From General Fund	-	-	-	-
<b>Total Revenue</b>	<b>4,633,250</b>	<b>4,861,225</b>	<b>4,604,000</b>	<b>4,657,948</b>
Release of Reserved Fund	-	-	569,367	16,362
<b>Total System Revenue</b>	<b>43,535,993</b>	<b>45,917,694</b>	<b>45,824,405</b>	<b>50,732,216</b>

\*this item is shown below the expenditures section in the Revenue and Expense Summary section of this document.

## Revenue Worksheets

The calculations that follow were utilized to project revenue for the Electric, Water and Wastewater Utilities in conjunction with an updated cost of service model provided by SAIC (formerly RW Beck).

### Electric Revenue Worksheet

#### Base Rate (not including \$.015 of PP)

Industrial	976,393
All Other	<u>10,962,584</u>
<b>Subtotal*</b>	11,938,977

#### Fuel & Purchase Power (includes \$.015 of PP)

Industrial	1,809,968
All Other	<u>21,313,517</u>
<b>Subtotal**</b>	23,123,485

#### Total Revenues

Industrial	2,786,361
All Others	<u>32,276,101</u>
<b>Total Retail Sales Revenue</b>	<u><b>35,062,462</b></u>

\* Net operating capital available for the Electric Utility

\*\* Proposed FY14 subtotal is budgeted in 11-2-902-373

## Water Revenue Worksheet

### Retail Water Sales Worksheet

FY13 Projected Water Consumption (1,000s gallons)	1,219,000
Projected Growth Factor	31,000
	<hr/>
FY14 Projected Water Consumption (1,000s gallons)	1,250,000
FY14 Effective Rate per 1,000 gallons	\$ 7.34
	<hr/>
FY14 Total Projected Retail Revenue	<u><u>\$ 9,170,582</u></u>

## Wastewater Revenue Worksheet

<u>Revenues</u>	<u>FY 2013</u>
Oct 2012	\$ 371,804
Nov 2012	\$ 361,337
Dec 2012	\$ 358,671
Jan 2013	\$ 360,725
Feb 2013	\$ 338,893
Mar 2013	\$ 343,112
Apr 2013	\$ 377,624
May 2013	\$ 379,749
Jun 2013	\$ 372,599
Jul 2013*	\$ 370,129
Aug 2013*	\$ 384,614
Sep 2013*	<hr/> \$ 380,744
<b>Total</b>	<b>\$ 4,400,000</b>
Projected Growth (1%)	\$ 50,000
FY14 Total Projected	\$ 4,450,000

\* Projected revenue

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## Water/Wastewater

Weatherford Water/Wastewater Utility is a municipal utilities provider for the City of Weatherford. It manages the treatment and distribution of water, the treatment of wastewater, and the maintenance of all water/wastewater assets owned by the Utility. Operating divisions include Administration, Water Treatment Plant, Water/Wastewater Maintenance, Water/Wastewater Rehabilitation, Engineering, Wastewater Treatment Plant, and Non Departmental. It is administered by the Director of Water/Wastewater Utilities, and overseen by the Weatherford Municipal Utility Board.



## Water/Wastewater Administration (402)

The Water/Wastewater Administration Division is responsible for the supervision of all water and wastewater employees and the functions of these systems. This includes the management of the Electricians, Water Purification Plant, the distribution system, and the Wastewater Treatment Plant and collection system, as well as operation, construction, maintenance, and inspection of these systems. This division also coordinates all construction projects on a day-to-day basis, oversees contractors, and ensures that all requirements of the EPA, TCEQ, and Texas Health Department are met. This division oversees collection and analysis of samples collected in the distribution system to insure the quality of the city's drinking water and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

### Major Division Goals:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. To ensure that the distribution and collection systems operate in a proper manner to provide customers with an acceptable level of service.
4. To ensure customers are educated on both current and future water conservations.
5. To ensure the City maintains a good relationship with industries, so that the City and the industries meet both TCEQ and EPA guidelines.

### FY13 Accomplishments:

1. Complete construction of all projects under design.
2. Continue to maintain distribution and collection system to meet customers' needs.

3. Expand water conservation education and awareness throughout the community.
4. Implemented a FOG program to encourage FOG awareness in customers' homes.

### FY14 Objectives:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. Complete construction under design.
4. Working with the public and area organizations on water conservation awareness.
5. Expand pretreatment to focus on streamlining oil and grease control.

### Significant Budget Changes:

Minor increases over FY13 include an ongoing cost for a power analyzer (\$6,800), and a one-time cost for a vehicle replacement (\$24,000).

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Category	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	514,833	524,934	518,209	543,973
Supplies	24,983	38,850	39,879	33,950
Contractual	19,458	27,400	25,900	27,400
Capital Outlay	24,264	-	-	30,800
<b>Total</b>	<b>583,538</b>	<b>591,184</b>	<b>583,988</b>	<b>636,123</b>



Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY12	FY13	FY13	FY14
Assistant Director	36	1.00	1.00	1.00	1.00
Electric Technician	21	1.00	1.00	1.00	1.00
Environmental Regulatory					
Affairs Supervisor	20	1.00	1.00	1.00	1.00
Field Services Supervisor	17	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Assistant Electric Tech	14	1.00	1.00	1.00	1.00
Environmental Technician	13	1.00	1.00	1.00	1.00
Total		7.00	7.00	7.00	7.00

**Performance Measures****FY12****FY13****FY14**

## Input

- 1 Pretreatment inspections completed
- 2 Pretreatment programs

7	8
7	8

## Output

- 1 Number of water quality samples performed in the distribution system
- 2 Number of inspections performed each year

4,300	4,886
2,500	2,480

## Effectiveness

- 1 Pretreatment violations

27	2
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## Water Treatment Plant (404)

The Weatherford Water Purification Plant is responsible for safely treating water and delivering under sufficient pressure an adequate supply of water for the City of Weatherford customers. This includes meeting all current and proposed state and federal regulations and preparing appropriate reports.

### Major Division Goals:

1. Provide quality water to our customers.
2. Meet and exceed EPA and TCEQ guidelines.
3. Provide maintenance to plant to ensure optimum operations.

### FY13 Accomplishments:

1. Refurbished and repaired Cl<sub>2</sub> scrubber system.
2. Installed pneumatic valves on the HSP pumps.
3. Installed new chemical dosing skids.
4. Researched and repaired membrane plant to operate efficiently.
5. Completed rehab on 2 trident units.

### FY14 Objectives:

1. Upgrade the plant and distribution SCADA system.
2. Rebuild the VFD drives for the HSP pumps.
3. Install new mag meter for the decant.
4. Install new hydrometers for bulk storage and clear wells.
5. Replace Cl<sub>2</sub> gas feed header.
6. Work with consultant on preparation of water plant master plan.

### Significant Budget Changes:

The Water Treatment Plant has some significant budgetary changes from FY13. Large one-time costs for equipment maintenance and purchases ( \$336,343) from FY13 were taken out in FY14. Additionally, the division includes several efficiency enhancements, including replacing variable frequency drives (one-time cost of \$251,000), and an additional Maintenance Worker (\$56,515). Other equipment and enhancements amount to approximately \$80,000 in one-time costs for FY14.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
<b>Category</b>	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	330,250	377,580	346,978	399,339
Supplies	487,311	560,450	534,653	573,025
Contractual	759,825	1,134,416	1,423,442	1,050,106
Capital Outlay	176,140	589,423	589,423	423,233
<b>Total</b>	<b>1,753,527</b>	<b>2,661,869</b>	<b>2,894,496</b>	<b>2,445,703</b>

<b>Personnel Schedule (FTE)</b>		<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Positions	Classification	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Water Plant Manager	22	1.00	1.00	1.00	1.00
Chief Operator	19	1.00	1.00	1.00	1.00
Water Plant Operator II	16	1.00	1.00	1.00	1.00
Water Plant Operator I	12	3.00	3.00	3.00	4.00
Summer Maint. Worker	6	0.33	0.33	-	-
<b>Total</b>		<b>6.33</b>	<b>6.33</b>	<b>6.00</b>	<b>7.00</b>

<b>Performance Measures</b>		<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
<b>Output</b>				
1	Treated water (Million Gallons)	1,716,360MG	1,760,581MG	
<b>Efficiency</b>				
1	Cost per thousand gallon treated	\$1.08	\$1.00	
<b>Effectiveness</b>				
1	Violations to the City by TCEQ (#)	0	0	0

## Water/Wastewater Maintenance (405)

The Water/Wastewater Maintenance division is responsible for the maintenance of 272 miles of water lines, 1 well system, 208 miles of wastewater lines, 1,370 fire hydrants, 23 lift stations, and over 400 grinder pumps. This division includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, 6 distribution pump stations, the water and wastewater treatment plants. It also includes a water meter shop which is responsible for the installation, repair, and testing of 10,653 commercial and residential customers.

### Major Division Goals:

1. Reduce sewer stop-ups, back-ups, and overflows.
2. Maintain water and wastewater systems to improve reliability.
3. Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
4. Upgrade water meters to implement electronic radio read and reduce labor cost.

### FY13 Accomplishments:

1. Continued comprehensive sewer evaluation system.
2. Targeted problem areas in the W/WW system and made necessary corrections.
3. Provided responsive quality service.

### FY14 Objectives:

1. Continue to replace aging water meters to improve accuracy and reduce water loss.
2. Continue to evaluate the wastewater system and target problem areas.
3. Implement a grease trap inspection program to aid wastewater system reliability.

### Significant Budget Changes:

This division's FY14 budget includes a total of \$482,000 in one-time expenses. Among them are a large Freightliner Vac-Con vehicle for \$319,000, and various equipment upgrades for \$163,000.

As the Water /Wastewater system ages the frequency of problems increase, therefore funding and staffing for this division will need to be increased to properly address these issues.

### **Expenditure Summary (\$)**

	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Category	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	859,523	1,068,315	1,013,690	1,041,335
Supplies	434,490	416,955	457,360	426,308
Contractual	331,677	341,175	326,242	401,564
Capital Outlay	328,233	616,366	623,750	631,850
<b>Total</b>	<b>1,953,923</b>	<b>2,442,811</b>	<b>2,421,042</b>	<b>2,501,057</b>



Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY12	FY13	FY13	FY14
Water Utility Manager	20	1.00	1.00	1.00	1.00
Water Utility Supervisor	18	2.00	2.00	2.00	2.00
Pump & Motor Technician	11	1.00	1.00	1.00	1.00
Light Equipment Operator	11	2.00	2.00	2.00	2.00
Wastewater System Tech	11	1.00	1.00	1.00	1.00
Maintenance Worker II	10	3.00	3.00	3.00	3.00
Water Meter Technician	9	2.00	2.00	2.00	2.00
Maintenance Worker I	8	5.00	5.00	6.00	6.00
Summer Maint. Worker	6	0.67	0.67	-	-
Total		17.67	17.67	18.00	18.00

Performance Measures	FY12	FY13	FY14
Input			
1 Number of water main breaks		44	
2 Number of system overflows		3	
3 Number of system stop-ups		266	
Output			
1 Meter Change outs	250	467	
2 Comprehensive sewer shed inspection/ cleaning	48,538	33,758	
Efficiency			
1 Percent of scheduled maintenance completed on time	100%	100%	

## Water/Wastewater Rehabilitation (406)

The Water/Wastewater Rehabilitation Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems in a cost-efficient manner to improve the service and conveyance for the customers of Weatherford Utilities.

### Significant Budget Changes:

The Water/Wastewater Rehabilitation Division will replace a trailer in the amount of \$25,000 in FY14. Finally, it is important to note that as the City's water and wastewater infrastructure ages, it will be subject to more failures and require a heavier replacement schedule to stay within state guidelines.

### Major Division Goals:

1. Upgrade/replace aging infrastructure in the water distribution and wastewater collection system.
2. Minimize sanitary system overflows by replacing deteriorating and undersized mains.
3. Minimize I & I (Inflow & Infiltration) in the collection system.
4. Minimize water loss in the distribution system and improve fire protection.

### FY13 Accomplishments:

1. Replaced problem areas of the water and wastewater system.

### FY14 Objectives:

1. Continue to target problem areas in the water/wastewater system.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
<b>Category</b>	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	127,730	249,907	240,184	250,112
Supplies	81,707	80,750	85,583	80,750
Contractual	38,379	36,060	36,060	36,060
Capital Outlay	317,850	466,225	460,489	456,500
<b>Total</b>	<b>565,666</b>	<b>832,942</b>	<b>822,316</b>	<b>823,422</b>

<b>Personnel Schedule (FTE)</b>		<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Positions	Classification	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Water/WW Construction					
Supervisor	16	1.00	1.00	1.00	1.00
Maintenance Worker II	10	1.00	1.00	1.00	1.00
Maintenance Worker I	8	3.00	3.00	3.00	3.00
Total		5.00	5.00	5.00	5.00

<b>Performance Measures</b>		<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Input				
1	Work orders from water breaks (#)		18	
2	Work orders from wastewater problems (#)		67	
Output				
1	Footage of wastewater mains replaced (#)		4504	
2	Footage of water mains replaced (#)		1923	
Efficiency				
1	Cost per foot of wastewater main replacements (\$)		\$171.53	
2	Cost per foot of water main replacements (\$)		\$42.70	
Effectiveness				
1	Work orders created on previously repaired lines (#)	0	0	

# Engineering (427)

The Engineering Division is responsible for providing engineering support to the Weatherford Municipal Utility System and Flood Plain Management. Engineering provides the comprehensive system planning, engineering design, design review, and implementation systems in accordance with local, state, and federal law, as well as good engineering practices. The Engineering Division provides representation for utility system for all predevelopment, development, and preconstruction meetings.

FY14 Objectives:

1. Coordinate and administer design and construction for improvements to serve annexations.
2. Work with consultant to complete the Water Treatment Plant Master Plan.

Major Division Goals:

1. Provide quality customer service to all internal and external customers.
2. Provide engineering design and assistance for utility and public works projects.
3. Provide timely review of all developer initiated projects.

FY13 Accomplishments:

1. Redesign of water/wastewater website to increase the ease of access of material and information for developers and customers.
2. Provided design and administration for the construction of the Weatherford Boat Ramp.
3. Worked with consultant on completion of master plan.
4. Provided technical assistance with Heritage Park improvements.
5. Provided assistance with the administration of Storm Water Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	302,799	319,580	322,333	328,137
Supplies	3,997	7,131	4,772	6,930
Contractual	211,222	256,895	258,782	177,650
Capital Outlay	-	-	-	-
Total	518,018	583,606	585,886	512,717



<b>Personnel Schedule (FTE)</b>		<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Positions	Classification	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Director, Water/WW	39	1.00	1.00	1.00	1.00
Civil Engineer	35	1.00	1.00	1.00	1.00
Graduate Engineer	26	-	-	-	-
Engineering Technician	18	1.00	1.00	1.00	1.00
<b>Total</b>		<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

<b>Performance Measures</b>		<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
<b>Input</b>				
1	Plan submittals (#)		New	New
<b>Output</b>				
1	Plan reviews (#)	196	236	417
2	Capital Projects Managed (#)		15	11
<b>Efficiency</b>				
1	% of first submittals reviewed within 15 days		100%	100%
2	% of resubmittals reviewed within 10 days		100%	100%

## Wastewater Treatment Plant (454)

The Wastewater Treatment Plant is responsible for the treatment of wastewater collected from residences, businesses, and industries. Treatment includes the removal of suspended solids and organic contaminants as well as an ultra-violet disinfection process in order to meet Texas Commission on Environmental Quality discharge standards. Chemical and biological tests are performed by state certified plant personnel and contract laboratories to assure compliance with discharge permit limits. The Wastewater Treatment Plant treated and released to the receiving stream a total of 705 MG in the FY13.

### Significant Budget Changes:

Several one-time repair and replacements add up to \$30,000 in expenses.

### Major Division Goals:

1. Protect the environment by adequately treating all wastewater received into the plant.
2. Remain in compliance with all TCEQ/EPA requirements.
3. Maintain a safe working environment.

### FY13 Accomplishments:

1. Maintained plant to achieve the best quality effluent.
2. Maintained pretreatment sampling program.
3. We did not have any violations.
4. Maintained a safe work place with no accidents.
5. Repaired the ongoing problem with the orbal.
6. Completed DMR-QA Study 28.
7. Passed biomonitoring testing and completed Table II and III Sampling.

### FY14 Objectives:

1. Rebuild influent step screen.
2. Add pH meter to influent.
3. Paint sand filter bridges.
4. Maintain a healthy wastewater process.
5. Install roof over hydrostatic tank and air compressor.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
<b>Category</b>	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	294,656	295,412	296,964	292,029
Supplies	134,631	154,611	153,143	140,054
Contractual	359,190	512,447	477,306	546,335
Capital Outlay	20,140	50,072	50,071	31,968
<b>Total</b>	<b>808,617</b>	<b>1,012,542</b>	<b>977,484</b>	<b>1,010,386</b>

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY12	FY13	FY13	FY14
Wastewater Plant Manager	21	1.00	1.00	1.00	1.00
Wastewater Plant Operator	12	4.00	4.00	4.00	4.00
Summer Maint. Worker*	6	0.33	-	-	-
Total		5.33	5.00	5.00	5.00

\*Summer Maintenance Workers moved to General Fund during FY13.

Performance Measures	FY12	FY13	FY14
Output			
1 Treated wastewater	778MG	841MG	
Efficiency			
1 Treatment cost per 1,000 gallons	\$1.07	\$1.01	
Effectiveness			
1 Fines to the City by TCEQ		0	

## Lake & Utility Maintenance (484)

Lake Maintenance has been merged with Parks Maintenance in the General Fund Budget. Instead of bearing the direct operational costs for this program, the costs are shown along with the administrative services charge for the General Fund. For further information, please see the City of Weatherford General Fund FY13 Program of Services.

Expenditure Summary (\$)		Actual	Approved	Projected	Proposed
Category		FY12	FY13	FY13	FY14
Personnel		135,586	-	-	-
Supplies		44,052	-	-	-
Contractual		15,783	-	-	-
Capital Outlay		84,821	-	-	-
Total		280,242	-	-	-

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY12	FY13	FY13	FY14
Lake Maintenance Supervisor	15	1.00	1.00	-	-
Maintenance Worker	6	2.00	2.00	-	-
Summer Maint. Worker	6	0.67	0.67	-	-
Total		3.67	3.67	-	-

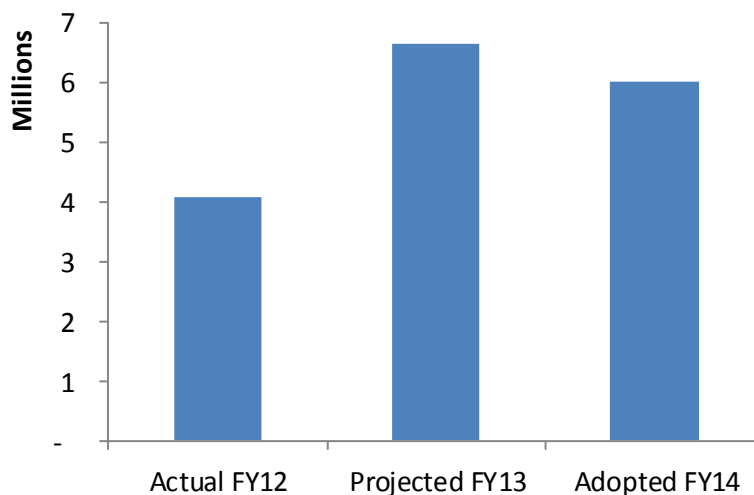


## Water Non Departmental (903)

Water Non Departmental includes transfers, principle and interest payments, and other general expenses for the Water Utility.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Category	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	4,090,187	6,646,283	6,661,813	5,310,308
Capital Outlay	-	-	-	709,014
<b>Total</b>	<b>4,090,187</b>	<b>6,646,283</b>	<b>6,661,813</b>	<b>6,019,322</b>

In FY13, this division budgeted to expense \$1.5 million into a capital reserve. For FY14, this is no longer the case, and so that cost has been removed. However, the division is expensing \$709,000 to continue its automated metering infrastructure program, increasing the total division cost to just over \$6 million.

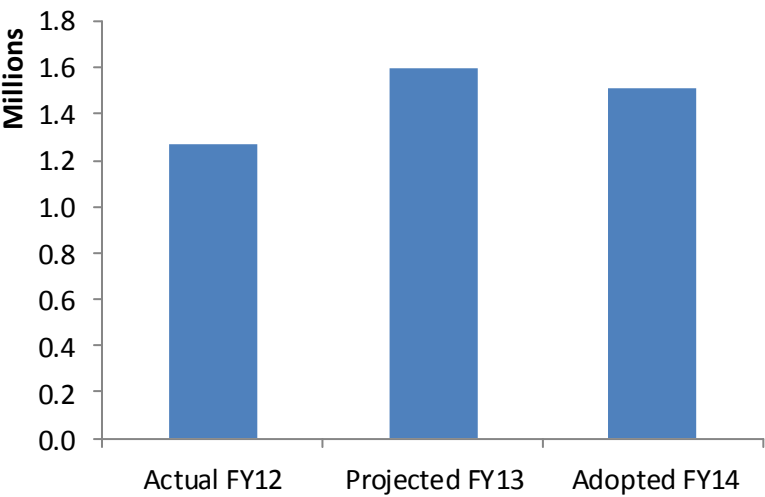


## Wastewater Non Departmental (904)

Wastewater Non Departmental includes transfers, principle and interest payments, and other general expenses for the Wastewater Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	1,272,886	1,545,574	1,595,574	1,511,715
Capital Outlay	-	-	-	-
Total	1,272,886	1,545,574	1,595,574	1,511,715

There were no major changes in this division from FY13 to FY14.



## SIB Loan Projects (407)

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The SIB Loan Projects cost center was developed to account for utility relocation projects financed through the State Infrastructure Bond program.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
<b>Category</b>	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	-	-	-	-
Capital Outlay	520,869	-	-	-
<b>Total</b>	<b>520,869</b>	<b>-</b>	<b>-</b>	<b>-</b>



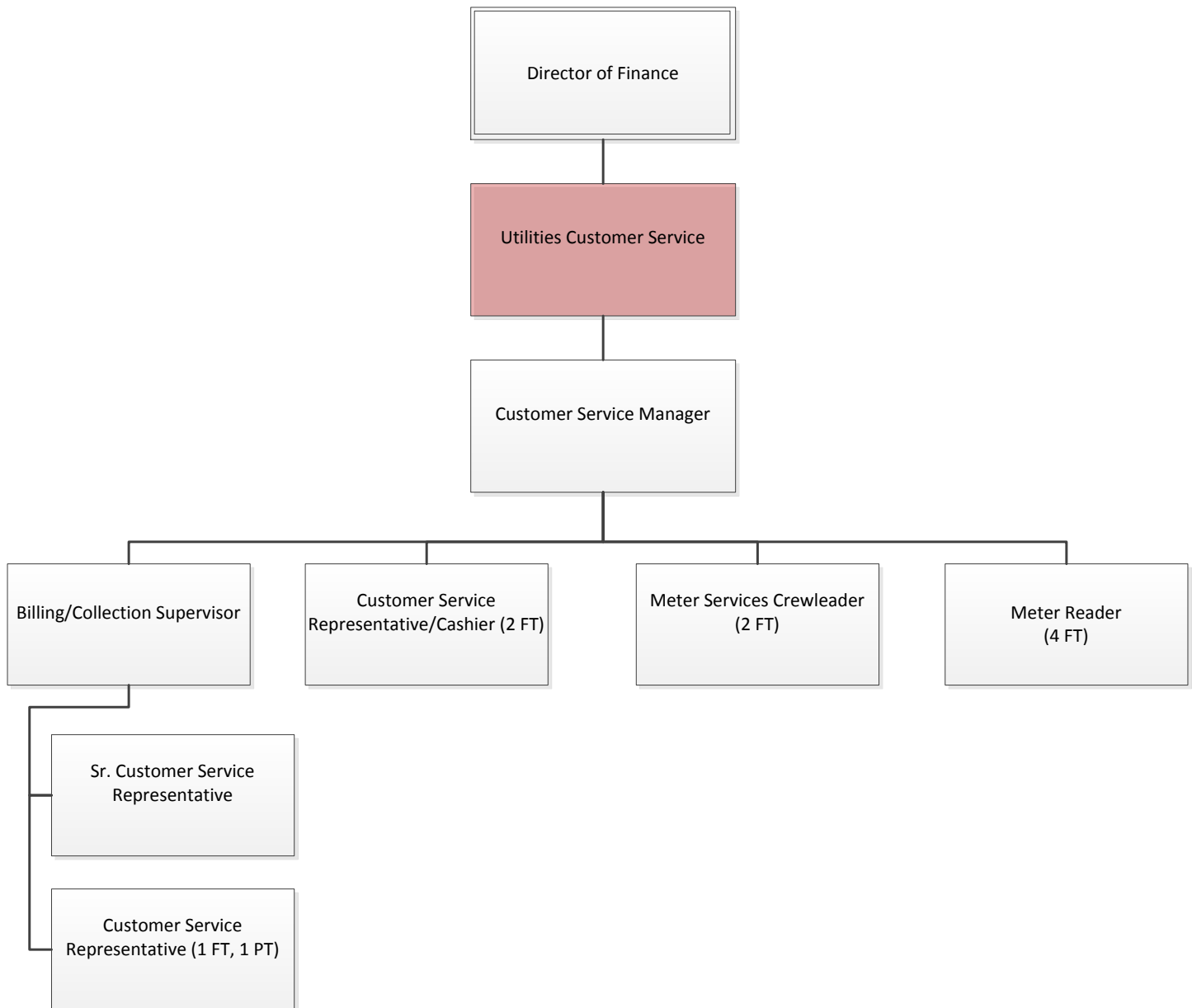




## Finance — Customer Service

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The Customer Service Division of the Finance Department is responsible for the reading and billing of approximately 24,800 electric and water meters and timely and accurate billing of 14,635 accounts each month. Of the utility accounts billed, approximately 1,400 each month require some degree of collection action. The Customer Service Division issues approximately 12,500 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.



## Customer Service (205)

### Major Division Goals:

1. We will work as a team to establish and maintain a positive relationship with our customers through communication, resourcefulness and dedication.
2. To prepare and mail correct and concise utility bills to all of our customers.
3. Respond to customer inquiries and issues timely and fairly with intentions of satisfying and educating each customer
4. and efficient manner.
2. Continue cross training employees in an effort to increase teamwork and productivity.
3. Complete Customer Service Policy and Procedure Manual update.
4. Implemented the Storm Water Utility Fee.

### FY 13 Accomplishments:

1. Continued to provide exceptional customer service to the citizens of the City of Weatherford, while billing and collecting for services we provide in an accurate

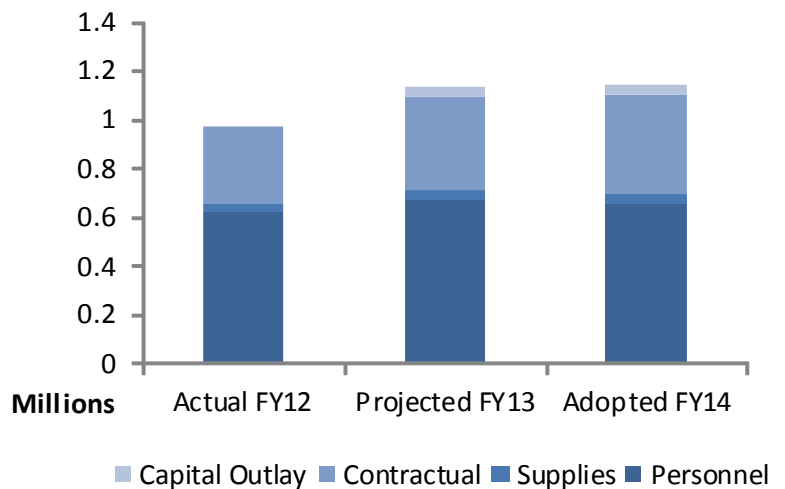
### FY14 Objectives:

1. Update new Customer Service Policy and Procedure Manual as needed.
2. Evaluate and implement a reinvention of the department.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Category	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	621,124	668,341	668,113	651,819
Supplies	31,819	45,063	43,021	44,563
Contractual	321,592	409,206	386,330	408,842
Capital Outlay	-	34,190	35,465	41,432
<b>Total</b>	<b>974,536</b>	<b>1,156,800</b>	<b>1,132,929</b>	<b>1,146,656</b>

### Significant Budget Changes:

In FY14, the Customer Service budget has been increased for the one-time purchase of two meter-reader trucks.



Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classification	FY12	FY13	FY13	FY14
Customer Service Manager	24	1.00	1.00	1.00	1.00
Billing/Collections Supervisor	18	1.00	1.00	1.00	1.00
Meter Services Crew Leader	14	2.00	2.00	2.00	2.00
Sr. Customer Service Rep	9	-	-	1.00	1.00
Customer Service Rep	9	4.00	4.00	3.00	3.00
P/T Customer Service Rep	9	-	-	0.50	0.50
Meter Reader	8	3.00	4.00	4.00	4.00
Meter Reader - Temp	8	1.00	-	-	-
Total		12.00	12.00	12.50	12.50

## Finance Customer Service (205 — Cont'd)

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Performance Measures	FY12	FY13	FY14
Input			
1 Average Number of Electric Accounts	14,408	14,442	14,740
2 Average Number of Water Accounts	10,755	10,771	11,025
3 Average Number of Wastewater Accounts	9,875	9,882	10,160
4 Average Number of Recycling Accounts	1,100	1,104	1,300
5 Number of Work Orders	9,503	9,300	9,450
Output			
1 New Account Set-Ups	193	190	175
2 kWh Billed	371,081,397		
3 Cubic Feet Billed	172,331,101		
4 Number of Delinquent Notices Mailed	51,205	53,997	53,000
5 Number of Delinquent Cut-Offs	1,419	1,458	1,465
Efficiency			
1 Delinquent Cut-Offs per Notice Mailed	2.77%	2.70%	2.7%
Effectiveness			
1 Adjustments Made to Accounts	792	780	736







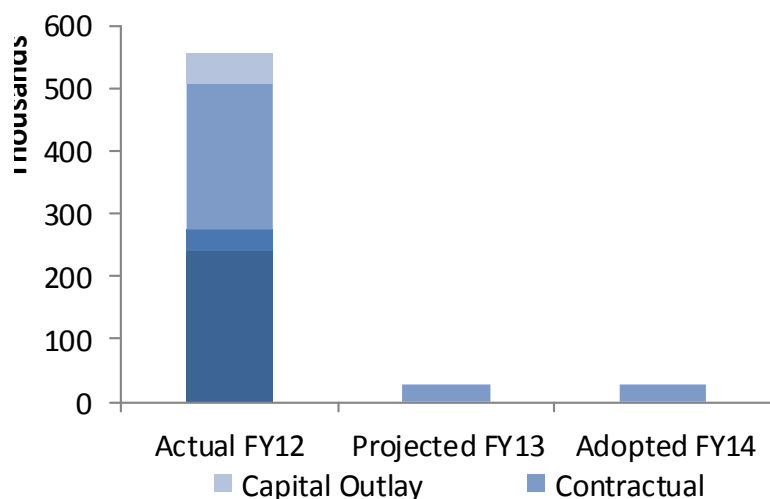




## Information Technology (423)

In FY13, the Information Technology budget and operations have been transferred to the City's General Fund. Please reference the General Fund Budget for information about this department. The Utilities Fund has budgeted a large transfer to the General Fund to cover its share of the Information Technology expenses. Please see Water, Wastewater, and Electric Non Departmental pages.

<b>Expenditure Summary (\$)</b>	<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
<b>Category</b>	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Personnel	238,988	-	-	-
Supplies	36,586	-	-	-
Contractual	231,848	27,873	27,870	27,873
Capital Outlay	48,650	-	-	-
<b>Total</b>	<b>556,072</b>	<b>27,873</b>	<b>27,870</b>	<b>27,873</b>

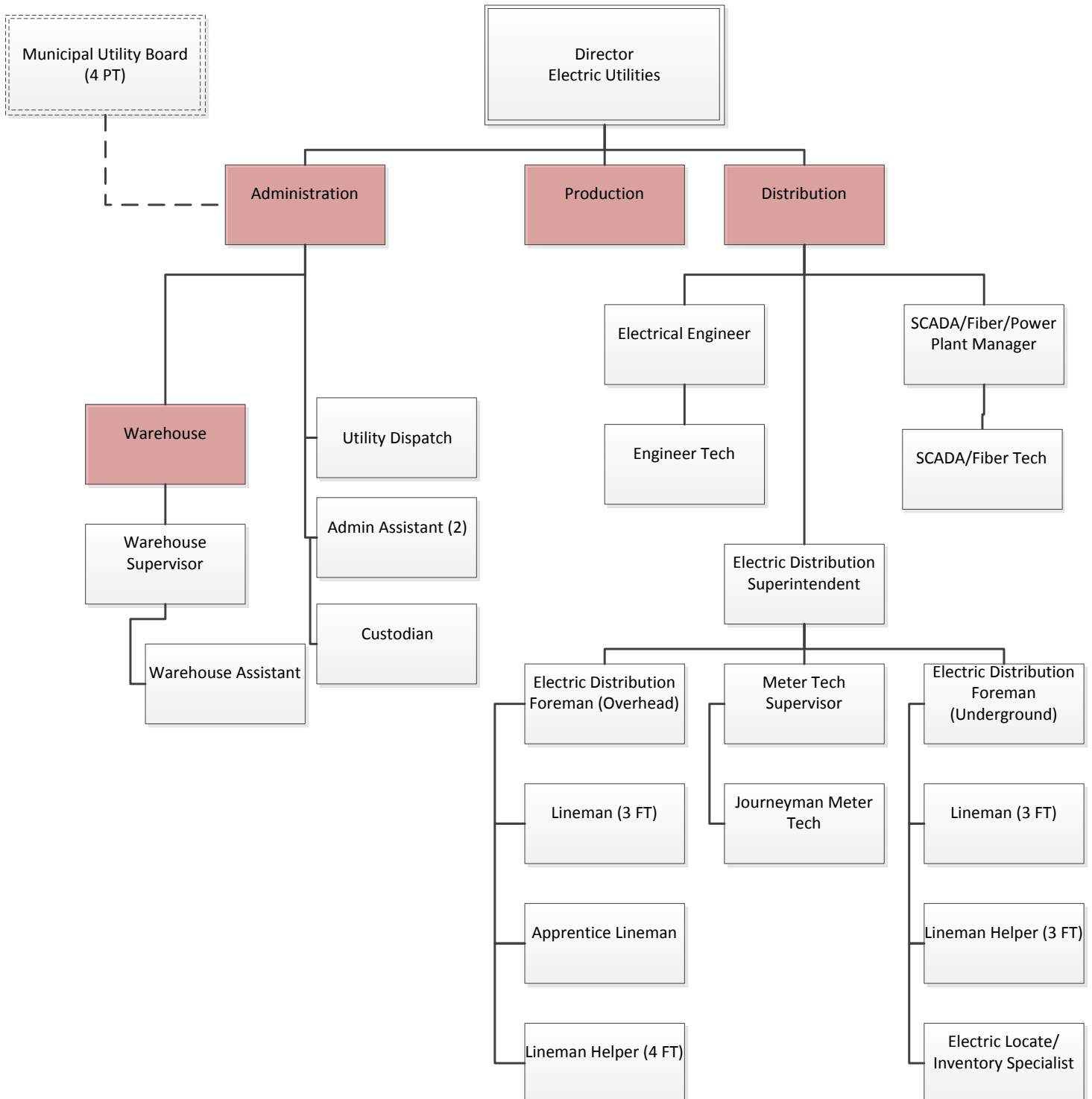


Note: FY11 represents the last year that the Information Technology (IT) Department was fully funded out of the Utilities Fund. In FY12, the department was split between the General Fund and the Utilities Fund, with 50% of the budget residing in each fund. The remaining Utility Fund IT expenses are for two Dell computer leases. As those leases expire in the coming years, all IT expenses will be moved to the General Fund.



## Electric Utility

Weatherford Electric is a municipal electric provider for the City of Weatherford. It manages the distribution and production of electricity, as well as the maintenance of all electric assets owned by the utility. Operating divisions include Administration, Distribution, Production, and Warehouse. It is administered by the Director of Electric Utilities, and overseen by the Weatherford Municipal Utility Board.





# Electric Administration (422)

Electric Administration is responsible for the overall management and administration of water and wastewater treatment plants, water distribution and wastewater collection system, electric distribution and power generation, and other ancillary services.

Major Division Goals:

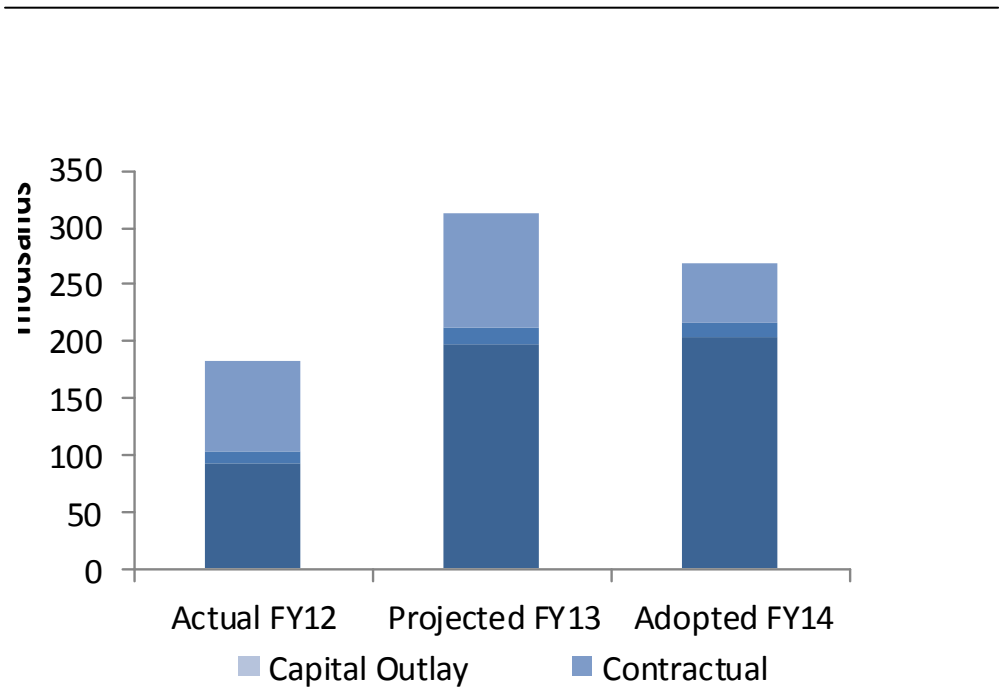
- 1. Ensure that utility service meets and exceeds customers expectations.
- 2. Provide quality service at a reasonable price.
- 3. Adequately plan for the future to ensure that the system is in place to serve all customers.

FY13 Accomplishments:

- 1. Implemented mobile workforce solution for utility locates.
- 2. Reorganized the department to gain efficiencies.
- 3. Began implementation of a new work order program.

FY14 Objectives:

- 1. Complete implementation of new work order program.
- 2. Continue to provide quality service in a timely manner to our citizens.



Expenditure Summary (\$)		Actual	Approved	Projected	Proposed
Category		FY12	FY13	FY13	FY14
Personnel		93,960	217,964	196,594	203,270
Supplies		9,554	16,000	16,000	14,100
Contractual		79,481	100,960	100,031	50,460
Capital Outlay		-	-	-	-
Total		182,995	334,924	312,625	267,830

Personnel Schedule (FTE)		Actual	Approved	Projected	Proposed
Positions	Classifica-	FY12	FY13	FY13	FY14
Utility Board Member (PT)	UC	2.00	2.00	2.00	2.00
*Assistant City Manager	40	-	-	-	-
Utility Dispatcher	13	1.00	1.00	1.00	1.00
Administrative Secretary	11	2.00	2.00	2.00	2.00
Custodian	6	1.00	1.00	1.00	1.00
Total		6.00	6.00	6.00	6.00

\*Assistant City Manager position has been moved into the General Fund.

## Electric Distribution (424)

The function of the Electric Distribution Division is to provide electricity to residential, commercial, and industrial customers. The Electric Distribution Division is charged with constructing, operating, and maintaining the electric system to ensure that its customers are provided the highest quality service at the most economical cost.

### Major Division Goals:

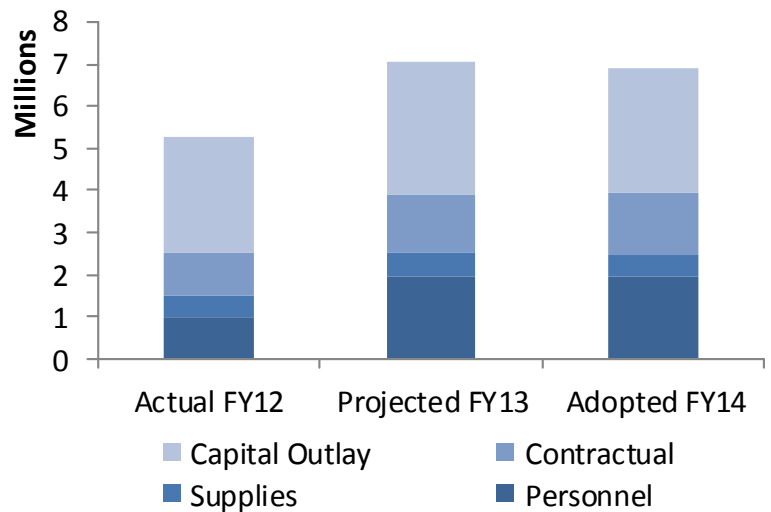
1. Provide electricity at the most economical cost to our customers.
2. Provide reliable electric service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the electric system.

### FY13 Accomplishments:

1. Completed evaluation of advanced metering systems.
2. Completed purchase of property for a new electric substation.
3. Began installation of the ROAM street lighting system.
4. Completed installation of electric infrastructure for the WLL ball-field lighting.

### Significant Budget Changes:

To better manage consistent capital expenses, the Electric Distribution Division is continuing addint \$350,000 in its ongoing budget for vehicle replacements and substation improvements. In addition, large one-time expenses for FY14 include continuation of the automated metering infrastructure program (\$709,000), a cost of service and rate study (\$50,000), and several equipment repair and replacements (\$125,500).



### Expenditure Summary (\$)

	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	999,085	2,011,635	1,970,384	1,964,356
Supplies	472,759	548,000	542,939	522,000
Contractual	1,038,368	1,387,109	1,357,152	1,431,400
Capital Outlay	2,734,586	3,190,541	3,163,428	2,984,514
<b>Total</b>	<b>5,244,798</b>	<b>7,137,285</b>	<b>7,033,903</b>	<b>6,902,270</b>

<b>Personnel Schedule (FTE)</b>		<b>Actual</b>	<b>Approved</b>	<b>Projected</b>	<b>Proposed</b>
Positions	Classification	<b>FY12</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>
Director, Electric Utilities	38	1.00	1.00	1.00	1.00
Electrical Engineer	29	1.00	1.00	1.00	1.00
Distribution Superintendent	26	1.00	1.00	1.00	1.00
Distribution Foreman	24	2.00	2.00	2.00	2.00
Meter Technician Supervisor	24	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Mgr	24	1.00	1.00	1.00	1.00
Senior Lineman	22	-	2.00	2.00	2.00
Lineman	21	6.00	4.00	4.00	4.00
Journeyman/Meter Technician	21	1.00	1.00	1.00	1.00
Lineman "B"	19	2.00	2.00	-	-
Engineer Tech	18	-	-	1.00	1.00
Electric Locate/Inventory Spc	15	1.00	1.00	1.00	1.00
Apprentice Lineman	11	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant	16	1.00	1.00	1.00	1.00
Lineman Helper I	10	2.00	2.00	2.00	2.00
Lineman Helper Trainee	8	3.00	3.00	5.00	5.00
Total		24.00	24.00	25.00	25.00



## Electric Distribution (424—cont'd)

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Performance Measures	FY12	FY13	FY14
Input			
1 Electric System Peak (Summer)	92.5 MW	94.8 MW	
2 Electric System Peak (Winter)	83.0 MW	83.8 MW	
3			
Output			
1 Purchased Power	387,045 MWh	390,623 MWh	
2 Total Electric Customers	13,767	13,852	
3			
Efficiency			
1 System Electrical Losses	4.32%	4.45%	
2 System Electrical Losses	\$780,186	\$703,218	
3 System Load Factor	48%	47%	
Effectiveness			
1 Average Monthly Residential Rate	8.1 ¢/kWh	8.8 ¢/kWh	
2 Average Customer Outage Time	104 minutes		
3 Average System Outage Time	46 minutes		







## Electric Warehouse (426)

The Weatherford Municipal Warehouse maintains utility and General Fund inventories of materials and supplies. It requisitions, obtains quotes, issues purchase orders, and receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Director of Electric Utilities.

### Major Division Goals:

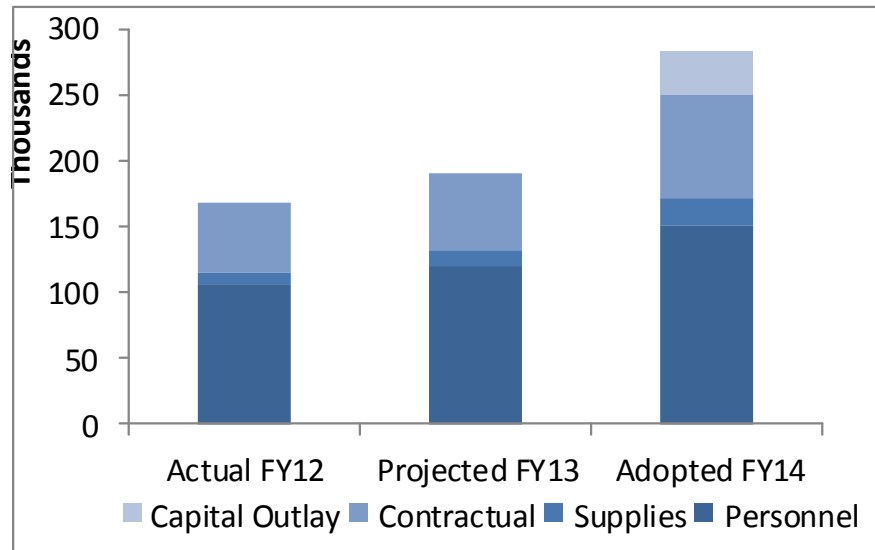
1. Ensure the warehouse is stocked to meet customers' demands.

### FY13 Accomplishments:

1. Began implementation of new warehouse inventory system, CityWorks

### FY14 Objectives:

1. Complete implementation of new CityWorks inventory system.



Expenditure Summary	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	105,563	120,007	119,316	151,142
Supplies	10,026	11,565	11,987	19,800
Contractual	53,180	71,328	59,191	79,143
Capital Outlay	-	-	-	33,500
<b>Total</b>	<b>168,769</b>	<b>202,900</b>	<b>190,494</b>	<b>283,585</b>

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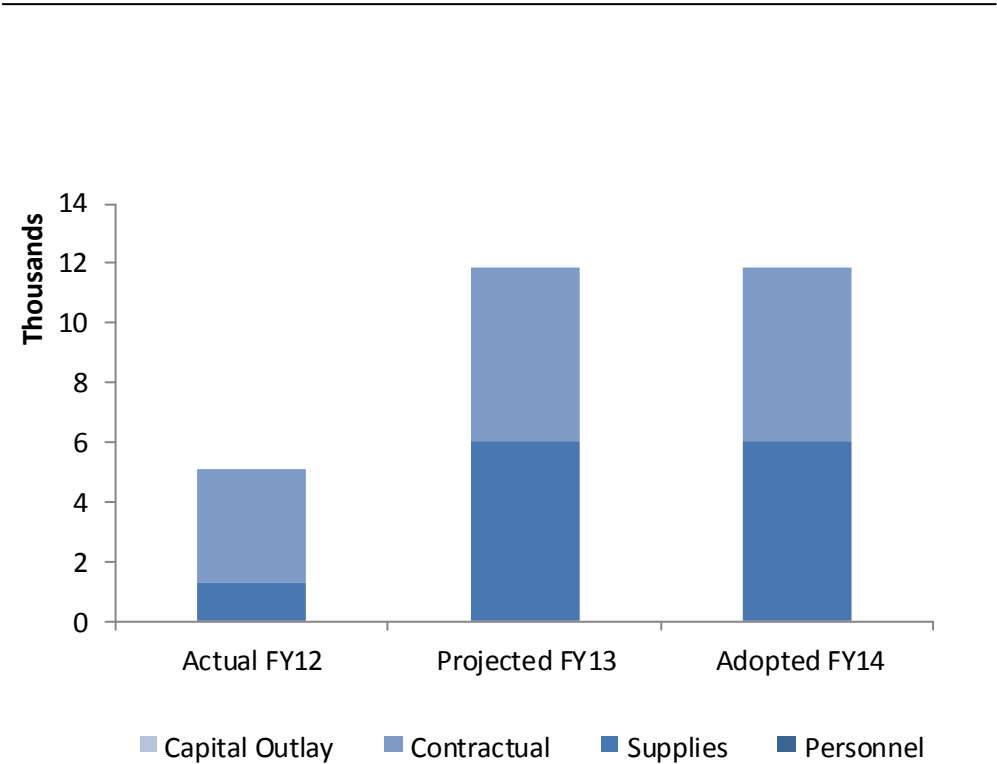


# Electric Production (425)

The Electric Production Plant is maintained and operated for the purpose of generating electricity.

Major Division Goals:

- 1. Generate Electricity for peak shaving.



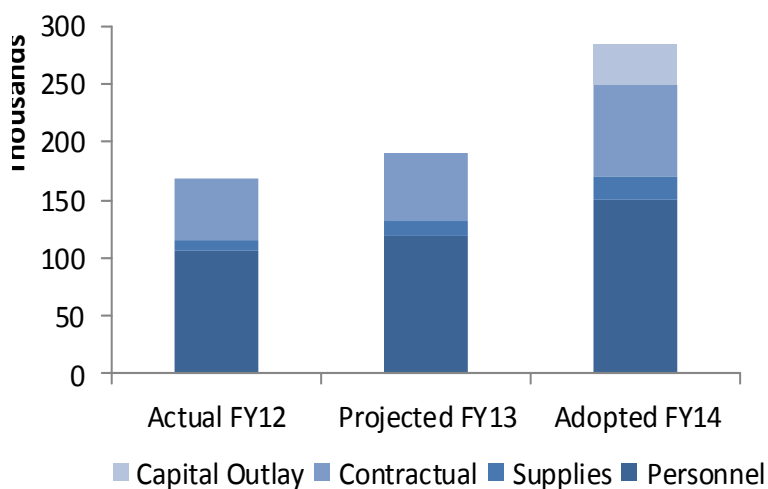
Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	-	-	-	-
Supplies	1,283	6,000	6,000	6,000
Contractual	3,801	5,850	5,850	5,850
Capital Outlay	-	-	-	-
Total	5,084	11,850	11,850	11,850

## Electric Non Departmental (902)

Electric Non Departmental includes Purchase Power costs, transfers, and other general expenses for the Electric Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Proposed
Category	FY12	FY13	FY13	FY14
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	21,392,323	23,229,249	23,787,714	31,415,759
Capital Outlay	-	-	-	-
<b>Total</b>	<b>21,392,323</b>	<b>23,229,249</b>	<b>23,787,714</b>	<b>31,415,759</b>

The most significant changes in budget for Electric Non Departmental are an increase in projected purchase power (\$5.4 million), a one-time contribution to the Rate Stabilization Reserve (\$1 million), and a one-time contribution to set up the Automated Metering Infrastructure Reserve (\$1.75 million).







## **Capital Improvement Program**

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The City of Weatherford is growing and developing more each year. In order to strategically plan for large-scale improvements to the utility system to accommodate that growth, staff has compiled a capital improvement program (CIP). This CIP represents a five-year fiscal plan that prioritizes and schedules all utility projects. While these types of projects are typically financed through revenue bonds, they can also be funded through annual service charges and impact fees. The CIP considers the appropriate timing of the construction of projects, the utility's ability to facilitate the construction, financial constraints in repaying indebtedness, and the increased cost of operation and maintenance.



# Capital Improvement Program

In March of 2012, the Municipal Utility consulted with Freese and Nichols, Inc. regarding a master plan for the city's utility infrastructure. Part of what came out was a list of capital improvements the system needs to undergo to maintain service levels and grow strategically. It is important to note that while the projects listed below initially represent a one-time capital expense, they will eventually succumb to the same wear and tear that all system assets are subject to. This will result in an increased annual repair cost. For a summary of current system asset repair costs, please see the Budget Process & Methodology section of this document. Because of the scope of the CIP, it is important to think of it as a working plan that is subject to change. Timing of the improvements will be subject to debt capacity, yet to be determined.

## Water Utilities Capital Improvement Plan

Project Description	Total	Impact Fee Eligible? (Y or N)	Capital Reserve Eligible? (Y or N)
<b>High Priority</b>			
30" Supply to Dubellette GST	\$ 1,733,760	N	Y
24" and 12" water line Weatherford Loop Franklin PP	\$ 1,669,250	N	Y
12" water line and PRV in Miller PP	\$ 927,900	N	Y
16" water line along BB Fielder Blvd in Dubellette PP	\$ 1,751,510	N	Y
16" water line along Bethel Rd in Dubellette PP	\$ 1,315,980	N	Y
16" water line along I-20 in Dubellette PP	\$ 864,470	Y	Y
12" water line along I-20 in Dubellette PP	\$ 855,330	Y	Y
Placeholder for CIP in 2017	\$ 5,856,862	N	Y
<b>Subtotal Priority Projects</b>	<b>\$ 14,975,062</b>		
<b>Other / Long Term Growth Projects</b>			
New 10MGD pump station and 6MG GST in Central PP	\$ 6,070,850	N	Y
30" supply line from new Ward St Pump St. to 20" Project 1	\$ 2,493,120	N	Y
12" supply line from Ward st PS	\$ 1,437,550	N	Y
12" water line in east PP	\$ 552,120	N	Y
16" and 12" water line in East PP	\$ 1,249,920	N	Y
12" and 8" water lines in Oak Ridge PP	\$ 477,930	N	Y
16" and 12" water line and PRV in Dubellette PP	\$ 1,810,100	N	Y
AMI			
<b>Subtotal Long Term</b>	<b>\$ 14,091,590</b>		
<b>Total Impact Fee Eligible Projects</b>	<b>\$ 1,719,800</b>		
<b>Total Water Projects</b>	<b>\$ 29,066,652</b>		

## Capital Improvement Program (continued)

### Waste Water Utilities Capital Improvement Plan

Project Description	Impact Fee Eligible?		Capital Reserve
	Total	(Y or N)	Eligible?
High Priority Projects			
Southern Annexation Waterlines	\$ 5,500,000	Y	Y
Western Annexation Waterlines	\$ 2,500,000	Y	Y
Subtotal Priority Projects	\$ 8,000,000		
Other or Long Term Growth Projects			
Dacey Road Sewer Extension	\$ 2,000,000	Y	Y
Land for Satellite WW Plant	\$ 750,000	N	Y
WWTP Rehab	\$ 1,500,000	N	Y
WWTP Expansion	\$ 3,000,000	N	Y
Satellite WW Plant	\$ 3,000,000	N	Y
Subtotal Long Term	\$ 10,250,000		
Total Impact Fee Eligible Projects	\$ 10,000,000		
Total Waste Water	\$ 18,250,000		

## Recent Project Activity

The project summary shown below details funding sources and expenses through FY13. All of these projects are related to growth and annexation within the City of Weatherford. Funding was available from excess 1999 and 2006 Revenue Bonds.

	Original Budget	Project 09/30/2012	Year-To Date	Project To-Date
<b><u>Revenues</u></b>				
2009 Tax Notes				
Sales of Bonds	\$ 690,000	690,000.00	\$ -	\$ 690,000.00
Bond Issuance Costs	(23,000)	(23,000.00)	-	(23,000.00)
2006 Revenue Bond Funds				
Sale of Bonds	\$ 20,000,000	\$ 20,000,000.00	\$ -	\$ 20,000,000.00
Original Issue Premium		835,310.45	-	835,310.45
Bond Issuance Costs	-	(357,318.50)	-	(357,318.50)
Change in Fair Value of Investments	-	(723.44)	-	(723.44)
Interest Earnings	-	1,789,351.62	1,519.18	1,790,870.80
EPA Grant Funds (Elevat. Storage Tank)	-	240,600.00	-	240,600.00
Prior Funding Sources				
Utility Revenues	523,342	523,342.03	-	523,342.03
1999 Revenue Bond Funds	905,894	905,894.18	-	905,894.18
Capitalized Interest - 1999 Bonds	20,952	25,716.03	-	25,716.03
Capitalized Interest - 2006 Bonds	-	516,051.23	26,193.59	542,244.82
Capitalized Interest - 2009 Tax Notes		40,104.77	-	40,104.77
<b>Total Revenues</b>	<b>\$ 22,117,188</b>	<b>\$ 25,185,328.37</b>	<b>\$ 27,712.77</b>	<b>\$ 25,213,041.14</b>
<b><u>Project Expenditures</u></b>				
Railroad Substation	1,567,000	1,178,008.43	-	1,178,008.43
Water Purification Plant Expansion	6,045,000	6,173,464.65	-	6,173,464.65
Elevated Water Tank & Lines	2,797,250	4,096,684.18	-	4,096,684.18
Parallel Treated Water Line	9,035,000	6,609,496.23	-	6,609,496.23
Parallel Sewer Line-S Main to WWTP	1,700,000	1,517,208.33	-	1,517,208.33
Viaduct Relocation	109,238	139,848.60	-	139,848.60
Western Loop Water Line	-	93,461.32	18,214.61	111,675.93
SH 51 12" Water Line	-	175,781.13	-	175,781.13
12" Waterline Tin Top/I-20/BB Fielder	-	101,327.78	74,653.29	175,981.07
Lift Station #8 Relocation	600,000	1,048,891.34	-	1,048,891.34
Lift Station #6 Improvements	150,000	699,125.58	666,591.80	1,365,717.38
Unallocated Contingency	113,700	-	-	-
Interest Transfer to Utility System	-	1,676,155.19	-	1,676,155.19
<b>Total Project Expenditures</b>	<b>\$ 22,117,188</b>	<b>\$ 23,509,452.76</b>	<b>\$ 759,459.70</b>	<b>\$ 24,268,912.46</b>
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ 1,675,875.61</b>	<b>\$ (731,746.93)</b>	<b>\$ 944,128.68</b>

# Water/Wastewater Impact Fee Funds

The Weatherford Municipal Utility receives impact fee revenue annually, which are placed in two special revenue funds. Any balance in these funds is available for use on select capital projects. For more information, please see the CIP summary.

## Water Impact Fund (40)

	Actual FY11	Actual FY12	Approved FY13	Projected FY13	Proposed FY14
<b>Beginning Fund Balance</b>	<b>2,038,085</b>	<b>2,384,523</b>	<b>2,660,393</b>	<b>2,660,393</b>	<b>3,069,313</b>
<u>Revenues</u>					
Interest Income	2,969	2,952	2,952	2,705	4,000
Impact Fees	343,469	272,918	272,918	406,216	200,000
<b>Total Revenues</b>	<b>346,438</b>	<b>275,870</b>	<b>275,870</b>	<b>408,921</b>	<b>204,000</b>
<b>Total Expenditures</b>	-	-	-	-	-
Over/(Under)	346,438	275,870	275,870	408,921	204,000
<b>Ending Fund Balance</b>	<b>2,384,523</b>	<b>2,660,393</b>	<b>2,936,262</b>	<b>3,069,313</b>	<b>3,273,313</b>

## Wastewater Impact Fund (41)

	Actual FY11	Actual FY12	Approved FY13	Projected FY13	Proposed FY14
<b>Beginning Fund Balance</b>	<b>1,187,351</b>	<b>1,482,092</b>	<b>1,721,348</b>	<b>1,721,348</b>	<b>2,053,686</b>
<u>Revenues</u>					
Interest Income	1,682	1,878	2,000	1,768	2,000
Impact Fees	293,060	237,378	100,000	330,570	100,000
<b>Total Revenues</b>	<b>294,742</b>	<b>239,256</b>	<b>102,000</b>	<b>332,338</b>	<b>102,000</b>
<b>Total Expenditures</b>	-	-	-	-	-
Over/(Under)	294,742	239,256	102,000	332,338	102,000
<b>Ending Fund Balance</b>	<b>1,482,092</b>	<b>1,721,348</b>	<b>1,823,348</b>	<b>2,053,686</b>	<b>2,155,686</b>



# Appendices

### Utility Debt Summary

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The Municipal Utility currently maintains 207 miles of sanitary sewer, 272 miles of water mains, and 326 miles of electric distribution lines. This widespread infrastructure network depreciates over time, and must be repaired and replaced when necessary. While routine repairs are budgeted on an annual basis, large-scale improvements carry a much higher price tag, and it is not possible for the Municipal Utility to pay for those through the operating fund. For these expenses, the fund will issue revenue bonds.

Bonds are a debt-financing instrument whereby the principle of the bonds are amortized over a period of time (typically 20 years), during which time interest is charged annually. For utility revenue bonds, the annual principle and interest payments are covered through Water, Wastewater, and Electric utility fees, which are set by the Municipal Utility Board. All principle and interest payments are made out of the Utility Debt Service Fund. Limitations on the amount of debt allowed to be outstanding at any one time for the utility are governed by the availability of service charge revenue. Each bond issue carries with it a legally binding coverage ratio, whereby the utility's net revenue must be able to meet a coverage requirement for its annual debt principle and interest payments before it can issue additional debt. The utility's coverage ratio for its outstanding debt is 1.25 times the average annual debt requirement, and 1.10 times the maximum annual requirement. A summary of the FY14 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

Fund Balance 9/30/2012	838,690
Revenues Projected FY13	4,742,988
Expenses Projected FY13	4,743,638
Current Year-End Projection Fund Balance	838,040
Revenues Projected FY14	4,751,851
Expenses Projected FY14	4,751,851
Projected Year-End Fund Balance FY14	838,040

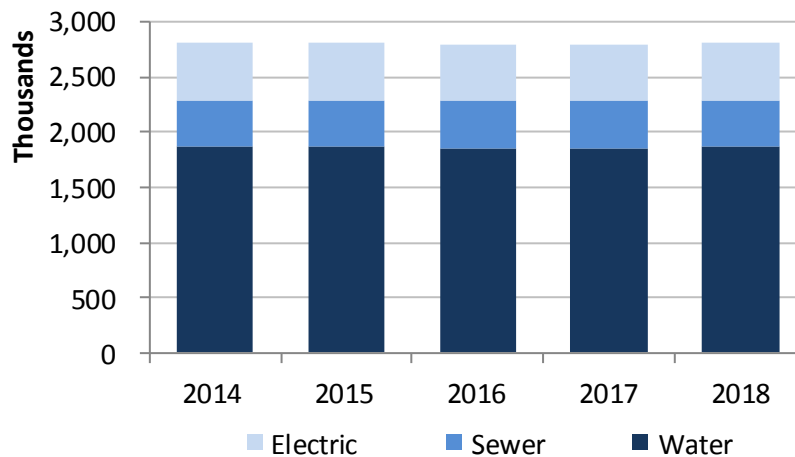
# Appendix A—Utility Debt Summary

## Utility System Revenue Refunding Bonds - Series 2005

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2014	2,220,000	293,895	293,895	2,807,790
2015	2,325,000	238,395	238,395	2,801,790
2016	2,440,000	180,270	180,270	2,800,540
2017	2,540,000	130,250	130,250	2,800,500
2018	2,670,000	66,750	66,750	2,803,500
<b>Total</b>	<b>12,195,000</b>	<b>909,560</b>	<b>909,560</b>	<b>14,014,120</b>

### Series 2005 Debt Service by Utility



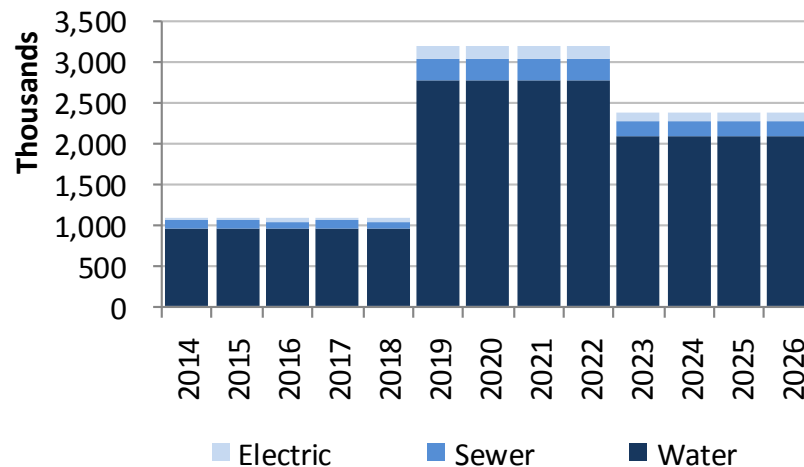
# Appendix A—Utility Debt Summary

## Utility System Revenue Bonds - Series 2006

### Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2014	150,000	477,251	477,251	1,104,501
2015	155,000	474,176	474,176	1,103,351
2016	160,000	470,979	470,979	1,101,958
2017	170,000	467,619	467,619	1,105,238
2018	175,000	464,006	464,006	1,103,013
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
<b>Total</b>	<b>19,105,000</b>	<b>4,394,799</b>	<b>4,394,799</b>	<b>27,894,598</b>

### Series 2006 Debt Service by Utility





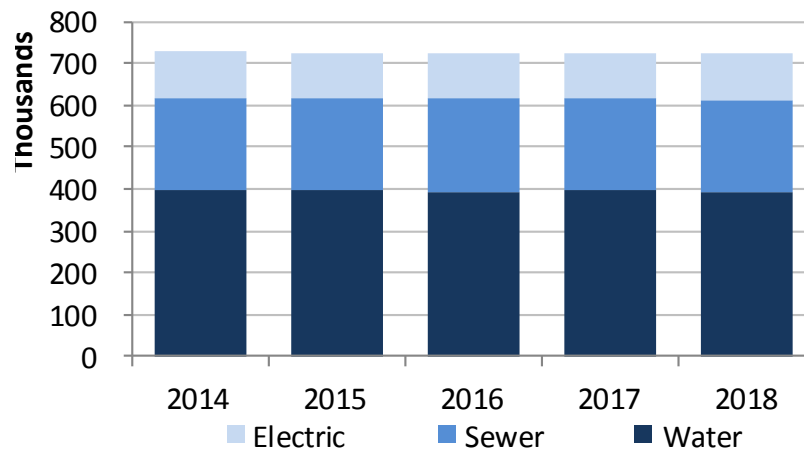
## Appendix A—Utility Debt Summary

### Utility System Revenue Refunding Bonds - Series 2008

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2014	615,000	56,831	56,831	728,661
2015	635,000	46,191	46,191	727,382
2016	655,000	35,206	35,206	725,411
2017	680,000	23,874	23,874	727,748
2018	700,000	12,110	12,110	724,220
<b>Total</b>	<b>3,285,000</b>	<b>174,211</b>	<b>174,211</b>	<b>3,633,422</b>

### Series 2008 Debt Service by Utility



## Appendix A—Utility Debt Summary

### Utility Tax Notes - Series 2009

#### Future Debt Requirements

<b>Year Ending 09/30</b>	<b>Principal Due 09/01</b>	<b>Interest Due 03/01</b>	<b>Interest Due 09/01</b>	<b>Total Requirement</b>
2014	105,000	3,902	1,997	110,899
2015	110,000	1,997	-	111,997
<b>Total</b>	<b>215,000</b>	<b>5,899</b>	<b>1,997</b>	<b>222,895</b>

\*Note: Series 2009 tax notes are supported wholly by the Electric Utility System.

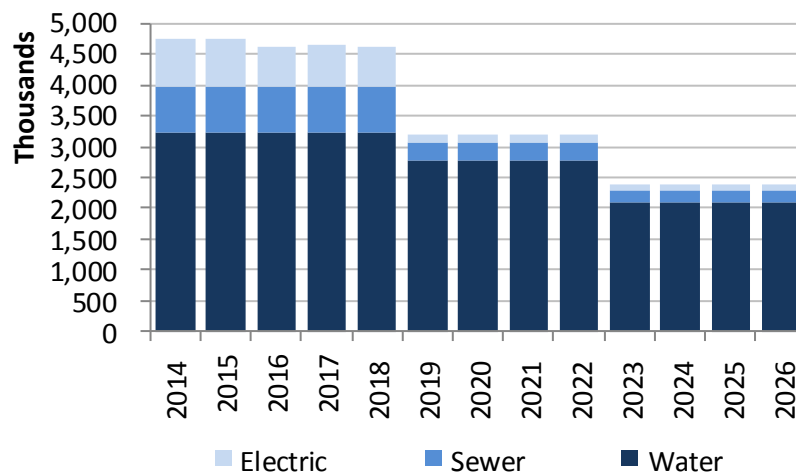
# Appendix A—Utility Debt Summary

## Utility System Revenue Bonds

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2014	3,090,000	831,878	829,973	4,751,851
2015	3,225,000	760,758	758,762	4,744,520
2016	3,255,000	686,454	686,454	4,627,909
2017	3,390,000	621,743	621,743	4,633,486
2018	3,545,000	542,866	542,866	4,630,733
2019	2,275,000	460,156	460,156	3,195,313
2020	2,390,000	403,281	403,281	3,196,563
2021	2,510,000	343,531	343,531	3,197,063
2022	2,635,000	280,781	280,781	3,196,563
2023	1,970,000	214,906	214,906	2,399,813
2024	2,065,000	165,656	165,656	2,396,313
2025	2,170,000	114,031	114,031	2,398,063
2026	2,280,000	58,425	58,425	2,396,850
<b>Total</b>	<b>34,800,000</b>	<b>5,484,469</b>	<b>5,480,566</b>	<b>45,765,035</b>

## Total Debt Service by Utility



# Decision Packages

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Each year, departments are asked to identify areas of critical need and submit requests, or decision packages, for additional funding to address those needs. In FY14, departments began the budget process with a target budget equal to their FY13 adopted budget minus all one-time expenses. They were asked to prioritize expenses within that total to address needs in current operations. For needs beyond the capacity of their existing budget, they were asked to submit one of the following types of supplemental requests:

Cost of Service Increases (COSI) - For additional funds related to the increased cost of providing existing services.

New/Expanded Programs (NEP) - For additional funds related to a program or service not currently being provided, or an expansion of an existing program.

Vehicle/Equipment Replacement (VER) - For additional funds related to the replacement or purchase of a new vehicle or piece of heavy equipment.

Departments were further asked to prioritize these requests based on their greatest areas of need. What follows is a summary of all decision packages including the department, name, rank, strategic goal, type, positions to be added, original requested cost, and whether it was recommended for funding. Decision packages are recommended for funding based on Utility Board and staff priorities and available funding. In some cases, the requests were funded at a different amount than originally requested.



# Appendix B—Decision Packages by Department

## Decision Packages by Department

	Positions	Ongoing Costs (\$)	One Time Costs (\$)	Funded?
<b>Electric Department</b>				
1 Transmission Operator Services*	0	90,000	-	N/A
2 Copier charges	0	50	-	Yes
3 Training	0	1,700	-	Yes
4 Training	0	850	-	Yes
5 Food and meals	0	2,000	-	Yes
6 Janitorial Supplies	0	1,450	-	Yes
7 Fire Resistant Clothing	0	5,000	-	Yes
8 Lineman Helper Apprentice Training Program	0	5,000	-	Yes
9 Lineman Helper Apprentice Training Travel Expenses	0	2,500	-	Yes
10 Tree Trimming	0	10,000	-	Yes
11 Fiber Optic Mapping Computer	0	-	2,000	
12 Vehicle #2521 - Pickup	0	-	30,000	Yes
13 SMART-COW	0	3,000	-	Yes
14 Cost of Service and Rate Study	0	-	50,000	Yes
15 Transmission Cost of Service Study	0	-	30,000	Yes
16 Milsoft/City Works Integration	0	-	10,000	Yes
17 Spida-Calc Software	0	-	29,000	Yes
18 Equipment #2513 - Reel Trailer	0	-	7,500	Yes
19 AMI System	0	10,000	709,014	Yes
20 Substation Communication Conversion	0	10,000	-	Yes
21 Vehicle #2107 - Warehouse Forklift	0	-	33,500	Yes
22 Fiber Optic Fusion Splicer	0	-	18,000	Yes
23 Fiber Optic Cable Puller	0	-	10,000	Yes
24 Skid Loader	0	-	95,000	
25 Dump Trailer	0	-	20,000	Yes
26 Milsoft IVR	0	10,000	60,000	Yes
27 LED Street Lights	0	50,000	-	Yes
28 Service Center Landscaping	0	-	5,000	
29 Warehouse Concrete Floor Repairs	0	-	1,000	Yes
30 Service Center Painting	0	-	5,000	Yes
31 Warehouse Internal Fencing Repair	0	-	4,000	Yes
32 Substation Landscaping	0	-	10,000	
33 Service Center Security System	0	-	20,000	
34 Strategic Plan Consultant	0	-	17,500	Yes
	<b>0</b>	<b>111,550</b>	<b>1,034,514</b>	

\* Can accommodate in base budget

# Appendix B—Decision Packages by Department

## Decision Packages by Department

	Positions	Ongoing Costs (\$)	One Time Costs (\$)	Funded?
<b>Finance Department (Customer Service)</b>				
1 Chevrolet/1500 Silverado - Unit #2126	0	-	20,716	Yes
2 Chevrolet/1500 Silverado - Unit #2127	0	-	20,716	Yes
<b>Total Funded</b>	<b>0</b>	<b>-</b>	<b>41,432</b>	
<b>Water/Wastewater</b>				
Landfill Sludge	0	5,187	-	Yes
Regulatory Testing and Monitoring	0	8,500	-	Yes
Legal Services	0	6,000	-	Yes
Overtime	0	4,000	-	Yes
2014 Freightliner Vac-Con	0	-	319,029	Yes
Water Plant Operator I	1	53,462	-	Yes
Equipment Parts and Labor	0	-	12,700	Yes
Wacker Rammer	0	-	3,308	Yes
Chlorine Analyzers	0	-	11,000	Yes
2014 Interstate 50DLA Trailer	0	-	25,500	Yes
Ford Explorer	0	-	24,000	Yes
LS #16 Pump Replacement	0	-	10,800	Yes
LS #3 Upgrade	0	-	35,975	Yes
LS #18 Pump Replacement	0	-	32,000	Yes
Switch Gear	0	-	146,759	Yes
VFD	0	-	251,000	Yes
Enhanced Security	0	-	25,000	Yes
Enhanced Security	0	-	25,000	Yes
SCADA Upgrade	0	-	43,430	Yes
Valve Operators	0	-	16,000	Yes
Step Screen Repair	0	-	9,537	Yes
Air Conditioner	0	-	7,000	
Valve & Hydrant Crew	0	91,131	16,600	
Club Car	0	-	6,968	Yes
Water Conservation Outreach	0	-	10,000	
Power Analyzer	0	6,800	-	Yes
Toilet Rebate	0	-	14,320	
Street Repair Materials	0	-	8,302	
AMI	0	10,000	709,014	Yes
Strategic Plan Consultant	0	-	17,500	Yes
<b>Total Funded</b>	<b>1</b>	<b>93,949</b>	<b>1,724,520</b>	
<b>Total Funded Decision Packages</b>	<b>1</b>	<b>205,499</b>	<b>2,800,466</b>	

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## Transfer Calculations

### Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	374,464,299	0.0044	1,647,643
Water Sales (1,000 gallons)	1,250,000	0.2223	277,875
Wastewater Treated (1,000 gallons)	805,852	0.1975	159,156

### Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	374,464,299	0.0056	2,097,000
Water Sales (1,000 gallons)	1,250,000	0.2469	308,625
Wastewater Treated (1,000 gallons)	805,852	0.2716	218,869

### Street Maintenance Transfer Calculations

	Est Volume	Unit Rate	Transfer
Commercial/Industrial Water (cu ft)	2,000,000	0.01	20,000

### Administrative Services Charge Transfer Calculations

Department	Proposed Budget	Percent Allocated	Amount Allocated	Transfer Allocation Based on System Revenues & Direct Expenditures		
				Electric	Water	Wastewater
Administration	672,215	45%	302,497	196,021	73,437	33,039
Budget Office	263,144	50%	131,572	85,260	31,942	14,370
Human Resources	335,259	50%	167,630	108,625	40,696	18,308
Finance	476,594	50%	238,297	154,419	57,852	26,027
City Attorney	151,490	33%	50,496	32,722	12,259	5,515
Economic Development	185,203	50%	92,602	60,007	22,481	10,114
Information Technology	1,522,079	project specific	733,967	271,866	249,457	212,644
City Hall (3,628 ft)	(65,304)	100%	(65,304)	(42,318)	(15,854)	(7,132)
Graduate Engineer	(96,290)	33%	(32,096)	(20,799)	(7,792)	(3,506)
Lake Maintenance	280,000	100%	280,000	-	280,000	-
Audit Services	63,000	40%	25,200	16,330	6,118	2,752
<b>Total</b>	<b>3,787,390</b>		<b>1,924,860</b>	<b>862,133</b>	<b>750,595</b>	<b>312,132</b>

## Appendix C—Transfer Calculations

### Summary of All Transfers

Type	Actual FY11	Actual FY12	Projected FY13	Adopted FY14	Increase/ (Decrease)
Gross Receipts Fee	1,930,779	2,090,394	2,047,994	2,084,674	36,680
Return on Investment	2,917,845	2,629,079	2,576,479	2,624,494	48,015
Street Maintenance Transfer	19,992	20,206	20,206	20,000	(206)
Administrative Services	299,855	795,794	1,854,567	1,924,860	70,293
	<b>5,168,471</b>	<b>5,535,443</b>	<b>6,499,246</b>	<b>6,654,028</b>	<b>154,782</b>



## Rate Schedule

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On September 28, 2010, the Weatherford Municipal Utility Board unanimously passed a three-year rate adjustment schedule, designed to eliminate cross-subsidization among the three utilities. A summary of those rates, as well as their effective dates, is as follows:

### Water Rates

#### Residential

Available for residential domestic household and associated lawn/garden irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford, shall charge, collect, or receive for water supplied to customers, the following monthly rates, to wit:

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 9.87	\$ 11.18	\$ 12.50
3/4 inch meter	\$ 11.95	\$ 15.35	\$ 18.75
1 inch meter	\$ 16.12	\$ 23.68	\$ 31.25
1 and 1/2 inch meter	\$ 26.53	\$ 44.52	\$ 62.50
2 inch meter	\$ 39.03	\$ 69.52	\$ 100.00
3 inch meter	\$ 78.62	\$ 148.68	\$ 218.75
4 inch meter	\$ 130.70	\$ 252.85	\$ 375.00
6 inch meter	\$ 266.12	\$ 523.68	\$ 781.25
8 inch meter	\$ 380.70	\$ 752.85	\$ 1,125.00

#### Volumetric Charge (per cubic foot)

##### Residential

0-1,000 CF	\$ 0.0294	\$ 0.0315	\$ 0.0337
1,001-3,500 CF	\$ 0.0366	\$ 0.0394	\$ 0.0421
3,500-5,000 CF	\$ 0.0461	\$ 0.0494	\$ 0.0527
> 5,000 CF	\$ 0.0565	\$ 0.0613	\$ 0.0660

## Appendix D—Rate Schedule

### Water Rates

#### Commercial

Available for commercial and landscape irrigation use at the customer's service address within the city's certificated service area. The Municipal Utility System of the City of Weatherford shall charge, collect, or receive for water supplied to customers, the following monthly rates, to wit:

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 12.43	\$ 12.47	\$ 12.50
3/4 inch meter	\$ 14.52	\$ 16.63	\$ 18.75
1 inch meter	\$ 18.68	\$ 24.97	\$ 31.25
1 and 1/2 inch meter	\$ 29.10	\$ 45.80	\$ 62.50
2 inch meter	\$ 41.60	\$ 70.80	\$ 100.00
3 inch meter	\$ 81.18	\$ 149.97	\$ 218.75
4 inch meter	\$ 133.27	\$ 254.13	\$ 375.00
6 inch meter	\$ 268.68	\$ 524.97	\$ 781.25
8 inch meter	\$ 383.27	\$ 754.13	\$ 1,125.00

#### Volumetric Charge (per cubic foot)

Commercial*	\$ 0.0317	\$ 0.0324	\$ 0.0337
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\*Available for water delivered and metered at the customer's service address, or any other authorized metering site located within the city's certificated service area, and transported by any method for use at a site other than the customer's service address.

Transported Water	\$ 0.0617	\$ 0.0624	\$ 0.0637
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#### Westridge and Southcrest Systems

That the city municipal utility system shall charge, collect, or receive for water supplied to the customers of the Westridge and Southcrest Residential Subdivisions, the following monthly rates, to

	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
5/8 to 1/2 inch meter	\$ 9.87	\$ 11.18	\$ 12.50
3/4 inch meter	\$ 11.95	\$ 15.35	\$ 18.75
1 inch meter	\$ 16.12	\$ 23.68	\$ 31.25
1 and 1/2 inch meter	\$ 26.53	\$ 44.52	\$ 62.50
2 inch meter	\$ 39.03	\$ 69.52	\$ 100.00
3 inch meter	\$ 78.62	\$ 148.68	\$ 218.75
4 inch meter	\$ 130.70	\$ 252.85	\$ 375.00
6 inch meter	\$ 266.12	\$ 523.68	\$ 781.25
8 inch meter	\$ 380.70	\$ 752.85	\$ 1,125.00

## Appendix D—Rate Schedule

### Water Rates (continued)

#### Westridge and Southcrest Systems (continued)

Volumetric Charge (per cubic foot)	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Residential			
0-1,000 CF	\$ 0.0534	\$ 0.0315	\$ 0.0337
1,001-3,500 CF	\$ 0.0606	\$ 0.0394	\$ 0.0421
3,500-5,000 CF	\$ 0.0701	\$ 0.0494	\$ 0.0527
> 5,000 CF	\$ 0.0805	\$ 0.0613	\$ 0.0660
Commercial	\$ 0.557	\$ 0.0613	\$ 0.0660

\*Rates do not take into account annual debt service pass-through costs.

#### Tarrant Regional Water District (TRWD) Pumping Rate

Consistent with the Utility Board Policy, Lake Weatherford will be supplemented with water from the Tarrant Regional Water District System when necessary. In the event that adequate revenue is not generated from the rate stabilization/reserve fund, an additional charge to cover raw water and pumping cost may be added to the existing rate during times that the TRWD water is utilized. The formula to recover this cost is as follows:

$$\frac{\text{TRWD Cost} + \text{TRWD Pumping Cost} \pm \text{Prior Month True Up}}{\text{Estimated Sales}}$$

Where:

TRWD Cost = Cost of Raw Water

TRWD Pumping Cost = Power Cost

Estimated Sales = Average water consumption for past 3 years, plus growth factor

Prior Month True-Up = Adjustment to account for over/under collection from prior months

The raw water and power costs will be calculated at the end of each month and the assessment added to the following month's bills. The TRWD rate will be assessed until such time that all pumping costs have been recovered or adequate reserves exist to cover cost. All bills are due when rendered, and become past due if not paid within ten days from date of bill. Service may be disconnected after proper notice to a customer having past due bills, and an additional charge will be made before service is restored. The municipal utility system may refuse to serve anyone who is in debt to the department.

## Appendix D—Rate Schedule

### Electric Rates

#### Residential Service Schedule RS-1

*Application.* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for re-sale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 6.17	\$ 8.08	\$ 10.00
May—October per kWh	\$ 0.0481	\$ 0.0462	\$ 0.0443
Nov—Apr per kWh	\$ 0.0443	\$ 0.0443	\$ 0.0443
Minimum Bill	\$ 6.17	\$ 8.08	\$ 10.00

#### Residential Service Schedule RS-2

*Application.* Available to any customer for electric service used for residential purposes in an individual private dwelling or an individually metered apartment. Service will be supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for re-sale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 6.17	\$ 8.08	\$ 10.00
May—October per kWh	\$ 0.0481	\$ 0.0462	\$ 0.0443
Nov—Apr per kWh	\$ 0.0443	\$ 0.0443	\$ 0.0443
Minimum Bill	\$ 6.17	\$ 8.08	\$ 10.00

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service Schedule SGS

*Application.* Available to commercial customers with less than 20 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 19.55	\$ 19.55	\$ 19.55
Energy Charge per kWh	\$ 0.0490	\$ 0.0490	\$ 0.0490
Minimum Bill	\$ 19.55	\$ 19.55	\$ 19.55

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### General Service Schedule LGS-1

*Application.* Available to commercial customers with 20 kW demand and less than 200 kW demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 28.17	\$ 35.33	\$ 42.50
Energy Charge per kWh	\$ 3.43	\$ 3.62	\$ 3.80
Minimum Bill	\$ 0.0322	\$ 0.0322	\$ 0.0256



## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service Schedule LGS-1 (Continued)

Minimum bill: Customer charge plus the demand charge for 75% of the highest kW established during the last 12 months or the current demand charge, whichever is higher.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### General Service (Large) Schedule LGS-2

*Application.* Available to commercial customers with 200 kVA demand and less than 1,000 kVA demand for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective	Effective	Effective
	Nov. 1, 2010	Oct. 1, 2011	Oct. 1, 2012
Customer Charge	\$ 48.17	\$ 74.08	\$ 100.00
Demand Charge per kVa	\$ 2.96	\$ 3.38	\$ 3.79
Energy Charge per kVa	\$ 0.0297	\$ 0.0278	\$ 0.0260

Minimum bill: Customer charge plus the demand charge for 75% of the highest kVA established during the last 12 months or the current demand charge, whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### General Service (Large) Schedule LGS-3

*Application.* Available to commercial customers with 1,000 kVA demand or more for electric service supplied at one point of delivery, which is specified by the city, and measured through one meter. Not applicable for resale or breakdown service, nor temporary, standby, or supplementary service except in conjunction with applicable rider.

*Type of Service.* The electric service furnished hereunder will be single phase, 60 hertz, at the city's standard secondary voltage through one standard transformation or at the city's standard primary voltage. Three phase service will be furnished as provided in city's terms and conditions governing utility service. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between the city and the customer may be required prior to service being furnished.

Monthly Rate	Effective Nov. 1, 2010	Effective Oct. 1, 2011	Effective Oct. 1, 2012
Customer Charge	\$ 79.83	\$ 137.42	\$ 195.00
Demand Charge per kVa	\$ 6.62	\$ 5.13	\$ 3.65
Energy Charge per kVa	\$ 0.0194	\$ 0.0212	\$ 0.0230

Minimum bill: Customer charge plus the demand charge for 75% of the highest kVA established during the last 12 months or the current demand charge, whichever is higher. City will maintain all of its installed primary voltage distribution facilities regardless of the location of the metering point.

*Determination of Demand.* The customer's maximum demand will be the kilowatt (kW) load established by the customer during the 15-minute period of maximum use during the month. This demand will be determined by city's demand meter.

#### Security Lighting Service Schedule SLS-1

*Application.* Available to any customer in areas designated by the city on a city owned or joint-use utility pole.

*Type of Service.* The electric service will be supplied exclusively to one or more outdoor type 100-watt high pressure sodium lights or similar. Lights will operate automatically every night from dusk to dawn, or approximately 4,000 hours per year.

Monthly Rate	
Customer Charge	\$ 10.00
Estimated Energy Use	40 kWh

## Appendix D—Rate Schedule

### Electric Rates (continued)

#### Power Cost Adjustment Factor Schedule (PCAF)

Applicable to entire service area—all rates.

*Application.* The energy charges stated in all rate schedules applicable for the current billing month will be increased or decreased by the amount by which the average cost of purchased power plus production cost per kilowatt hour sold for the previous month exceeds \$0.0150.

$$\text{PCAF} = (((\text{PPC} + \text{PC} + \text{APM})/\text{KWHP}) - \$0.0150) \pm \text{ADF}$$

#### Definitions

PCAF = Power Cost Adjustment Factor

PPC = Purchased power cost for the most recent month for which final costs are available

APM = Adjustment for previous month over/under PCAF recovery

KWH = Total kilowatt hours purchased, previous month

ADF = Annualized deferral factor based on a 12-month rolling average of projected costs and sales variances keeping a rate stabilization fund minimum as set by the Utility Board and revised as needed.

### Wastewater Rates

	Effective Nov. 1, 2010	Effective Oct. 1, 2012
Minimum Monthly Bill		
Residential	\$ 14.50	\$ 15.00
Commercial	\$ 17.55	\$ 17.55
Volumetric Rates		
Residential	\$ 0.0420	\$ 0.0420
Commercial	\$ 0.0390	\$ 0.0390
Grinder Pump Fee		
Monthly Charge	\$ 10.00	\$ 10.00

## Personnel Schedule

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Department	Full Time	Part Time	Temporary/ Seasonal	On Hold	Total
<i>Electric</i>					
Administration (422)	4	4	-	-	8
Distribution (424)	25	-	-	-	25
Production (425)	-	-	-	-	-
Warehouse (426)	2	-	-	-	2
Non Departmental (902)	-	-	-	-	-
<i>Finance</i>					
Customer Service	12	1	-	1	14
<i>Information Technology</i>	-			-	-
<i>Water/Wastewater</i>					
Administration	7	-	-	-	7
Water Treatment Plant	6	-	-	-	6
Water/Wastewater Maintenance	18	-	-	-	18
Water/Wastewater Rehabilitation	5	-	-	-	5
Engineering	3	-	-	-	3
Wastewater Treatment Plant	5	-	-	-	5
Lake Maintenance	-	-	-	-	-
Water Non Departmental	-	-	-	-	-
Wastewater Non Departmental	-	-	-	-	-
	87	5	-	1	93

## Appendix F—Ordinance

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014 AND MAKING APPROPRIATIONS FOR THE SEVERAL DEPARTMENTS FOR SAID YEAR IN ACCORDANCE WITH THE CHARTER AND ORDINANCES OF THE CITY OF WEATHERFORD, TEXAS, AND THE LAWS OF THE STATE OF TEXAS; REPEALING ALL RESOLUTIONS IN CONFLICT; AND PROVIDING A SAVINGS

WHEREAS, the Board of Trustees finds that all provisions pertaining to the adoption of a budget contained in the City Charter and Ordinances of said City, and the laws of the State have been in all things complied with, and

WHEREAS, after full and final consideration, the Board of Trustees is of the opinion that the revised budget should be approved and adopted, and that appropriations for the several departments for said fiscal year should be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEATHERFORD MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS:

Section 1: That the budget estimate of the revenue of the Municipal Utility System of the City of Weatherford, Texas, and the expenses of conducting the affairs thereof for the fiscal year ending September 30, 2014 as submitted to the Board of Trustees by the Manager of said Municipal Utility System, be, and the same is, in all things adopted and approved as the budget estimate of all current expenses and fixed charges against said Municipal Utility System City for the fiscal year ending September 30, 2014.

Section 2: That there be, and hereby are appropriated the following sums of money for each of the designated departments, purposes, and uses for the current year ending September 30, 2014, being within and as provided in said budget, to-wit:

<b>Utilities Fund</b>		<b>Adopted (\$)</b>
Electric		
	Administration	267,830
	Distribution	6,902,270
	Production	11,850
	Warehouse	283,585
	Non Departmental	<u>31,415,759</u>
<b>Total</b>		<b>38,881,294</b>
Finance		
	Customer Service	<u>1,146,656</u>
<b>Total</b>		<b>1,146,656</b>



## Appendix F—Ordinance

Utilities Fund		Adopted (\$)
Information Technology		
	Information Technology Department	27,873
<b>Total</b>		<b>27,873</b>

Utilities Fund		Adopted (\$)
Water		
	Administration	318,061
	Maintenance	1,228,601
	Rehabilitation	407,211
	Engineering	256,358
	Treatment Plant	2,445,703
	Non Departmental	6,019,322
<b>Total</b>		<b>10,675,258</b>

Wastewater		
	Administration	318,061
	Maintenance	1,272,455
	Rehabilitation	416,211
	Engineering	256,358
	Treatment Plant	1,010,386
	Non Departmental	1,511,715
<b>Total</b>		<b>4,785,187</b>

<b>Total Utilities Fund</b>	<b>55,516,268</b>
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for the reasonable and proper expenditures of so much of each of said sum as aforesaid itemized, not in excess of the amounts designated, as may be necessary for the operation of said Departments, purposes and uses, by the persons and in the manner provided and authorized by law.

## Appendix F—Ordinance

The above and foregoing resolution was passed, approved and adopted by the Board of Trustees of the Weatherford Municipal Utility System of the City of Weatherford, Texas, by the following vote:  
Ayes\_\_\_\_\_, Nays\_\_\_\_\_at a meeting of the Board held on the 26th day of September, 2013.

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Dennis Hooks, Mayor and Chairperson

ATTEST:

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Malinda Nowell, City Secretary

APPROVED AS TO FORM:

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Ed Zellers, City Attorney

# Glossary of Terms

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### **100 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 1 (and thus, in the 100-199 range) are explicitly designated for personnel expenditures (such as salary and benefits).

### **200 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 2 (and thus, in the 200-299 range) are explicitly designated for supplies.

### **300 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 3 (and thus, in the 300-399 range) are explicitly designated for contractual expenditures.

### **400 Accounts**

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 4 (and thus, in the 400-499 range) are explicitly designated for capital expenditures (such as the purchase of vehicles, land, and other infrastructure).

### **60-Day Target Reserve**

The Utility's financial policies require the Utility Fund to maintain a financial reserve balance such that it could fund 60 days worth of operations without incoming revenue.

### **Administrative Services Charge**

The Utility Fund and the General Fund share certain administrative departments, such as Human Resources, the Budget Office, and Information Technology. Because these administrative departments are located entirely in the General Fund, the Utility Fund must pay for portions of the administrative department expenses via an interfund transfer.

### **Accrual Accounting**

A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

### **Ad Valorem Tax**

A tax assessed against property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

### **Advanced Refunding**

A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and then to pay the principal on the old debt either as it matures or at an earlier call date.

### **Allocation**

A part of a lump-sum appropriation, which is designed for expenditures by specific organization units and/or for special purposes, activities or objects.

## Appendix G—Glossary

**Appraised Value**

The market value of real and personal property located in the City as of January 1 each year, determined by the Parker County Appraisal District.

**Appropriation**

The maximum level of spending for each fund and for each department as authorized annually by the City Council.

**Appropriation Ordinance**

The official enactment by the legislative body by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.

**Assessed Valuation**

A value that is established for real or personal property for use as a basis for levying property taxes. The Parker County Appraisal District establishes property values in Weatherford.

**Assessment Ratio**

The ratio at which tax rate is applied to tax base. State Law currently sets the assessment ration at 100%.

**Assets**

Resources owned or held by the City, which have monetary value.

**Available Working Capital**

Available working capital refers to money in the Utility Fund balance that is available for appropriation for one-time expenses. This is essentially the Fund's total balance, less designations and reserves.

**Balanced Budget**

A budget whereby ongoing expenses are wholly covered by ongoing revenue.

**Basis of Accounting**

The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

**Bond**

A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate. The most common types of bonds are general obligation and revenue bonds. They are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

**Budget**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

**Budget Calendar**

The schedule of key dates or milestones, which the City departments follow in the preparation, adoption and administration of the budget.

**Budget Document**

The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

## Appendix G—Glossary

**Budget Control**

The control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limitations of available appropriations revenue.

**Capital Expense**

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

**Cost Center**

In the City of Weatherford's accounting system, each division has its own three digit, numerical prefix to denote which division an account expense belongs to. This prefix is known as a cost center.

**Capital Budget**

A plan for the financing and completion of designated capital projects, financed for the most part with proceeds from general obligation bond issues. The "capital improvements program" is a multi-year plan, which includes the year covered by the "capital budget."

**Capital Projects Fund**

A fund created to account for financial resources to be used for the acquisitions or the construction of major capital facilities or equipment.

**Capital Outlay**

A type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of more than one year.

**Certificate of Obligation**

A type of municipal debt that is unconditionally backed that can be issued without voter approval, usually by a vote of the City Council. This type of bond is often used for smaller projects.

**City Charter**

The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

**City Council**

The Mayor and four (4) Council Members collectively acting as the legislative and policymaking body of the City.

**Comprehensive Annual Financial Report**

(CAFR) This report is published to provide to the Council, the representatives of financial institutions, our citizens and other interested persons detailed information concerning the financial condition of the City government.

**Contractual Services**

The cost related to services performed for the City by individuals, businesses, or utilities.

**Current Refunding**

A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

**Current Taxes**

Property taxes that are levied and due within one year.



## Appendix G—Glossary

### **Debt Service**

The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

### **Debt Service Fund**

A fund established to account for the accumulation of resources for the payment of principal and interest on long-term debt. May also be called Interest and Sinking Fund.

### **Delinquent Taxes**

Taxes that remain unpaid on and after the date which penalty for non-payment is attached.

### **Department**

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

### **Depreciation**

The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset. Through this process, the entire cost of an asset is ultimately charged off as an expense.

### **Division**

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities. Some departments are divided up into different divisions.

### **Effectiveness**

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

### **Effective Tax Rate**

State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that decreases when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation; however, for notice and hearing requirements, the benefit of new growth is excluded.

### **Efficiency**

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

### **Encumbrance**

Obligations in the form of purchase orders and contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

### **Enterprise Fund**

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

## Appendix G—Glossary

**Environmental Protection Agency**

Usually shown as the acronym 'EPA', this represents a department of the national government that oversees environmental protection and quality law and enforcement.

**Estimated Revenue**

The amount of projected revenues to be collected during the fiscal year.

**Expenditure**

Decreases in net financial resources. Expenditures include current operating expenses require the present or future use of net current assets, debt service and capital outlay.

**Expense**

This term refers to the outflows or other using up of assets or incurrence of liabilities from rendering services or carrying out other activities that constitute the City's major operations.

**Fiduciary Fund**

A fund used to report and record assets held in trust or as in an agency capacity for others.

**Fiscal Management Policy Statements**

Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are periodically updated and endorsed.

**Fiscal Year**

The 12-month period covered by the budget. For the City of Weatherford, the fiscal year begins on October 1 and ends September 30.

**Fixed Assets**

Assets of long-term character, which are intended to continue to be held or used, such as buildings, machinery and equipment.

**Franchise Fee**

A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

**Full-Time Equivalent**

In the personnel system, a full-time equivalent (FTE) refers to any position scheduled to work at least 2080 hours in a given fiscal year.

**Fund**

An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures.

**Fund Balance**

The assets of a fund, less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unreserved fund balance."

**Fund Type**

In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

## Appendix G—Glossary

### **GAAP**

Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

### **General Fund**

The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, library, public works, and general administration.

### **General Obligation Bonds**

Bonds that finance a variety of public projects, which pledge the full faith and credit of the City.

### **Governmental Accounting Standards Board**

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

### **Governmental Fund**

A fund used to account for mainly tax-supported activities.

### **Impact Fees**

Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

### **Infrastructure**

The underlying permanent foundation or basic framework.

### **Interest & Sinking**

See Debt Service Fund.

### **Interest Earnings**

The earnings from available funds invested during the year in investments authorized by the City of Weatherford Investment Policy.

### **Interfund Transfer**

Amounts transferred from one fund to another.

### **Internal Service Fund**

A fund used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

### **Investments**

Securities, bonds and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

### **Lake Lot License Fees**

This revenue item refers to the leases paid to the Utility by property owners on Lake Weatherford.

### **Lake Lot License Reserve**

The Municipal Utility Board has decided to designate a portion of the lake lot license revenue for lake improvement projects.

## Appendix G—Glossary

This reserve was subsequently set up to account for unspent lake lot license revenue that is subject to that designation.

### **Levy**

To impose taxes, special assessments, or service charges for the support of the City services.

### **Liabilities**

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

### **Long-Term Debt**

Debt with a maturity of more than one year after the date earmarked for its retirement.

### **Maintenance & Operations (M&O)**

Represents the portion of taxes assessed for the maintenance and operations of the General Fund Services.

### **Materials and Supplies**

Expendable materials and operating supplies necessary to conduct departmental activity.

### **Modified Accrual Accounting**

A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

### **Municipal Utility Board**

The Municipal Utility Board is a seven-member board tasked to govern the management, control, and operations of the electric, water, and wastewater systems of the City of Weatherford.

### **Net Bonded Debt**

Gross bonded debt, less any cash or other assets available and earmarked for its retirement.

### **Non-Departmental Expense**

Expenses that benefit the fund as a whole rather than a particular department within the fund.

### **Operating Budget**

A financial plan outlining estimated revenues and expenditures and other information for a specified period (usually a fiscal year). The "proposed budget" is the financial plan presented by the City Manager for consideration by the City Council, and the "adopted budget" is the financial plan ultimately approved and authorized by the City Council.

### **Operating Expenses**

Operating expenses refer to those ongoing expenses that the Utility Fund expects to expend every fiscal year. See Balanced Budget.

### **Operating Revenues**

Operating revenues refer to those ongoing revenues that the Utility Fund expects to receive every fiscal year. See Balanced Budget.

### **Ordinance**

A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality.

## Appendix G—Glossary

and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

### **Other Post-Employment Benefits Reserve**

For employees hired before October 1, 2008, the City has agreed to fund post-retirement healthcare expenses. This reserve was set up to help fund those expenses in future years. During the FY13 budget process, the Utility Board has decided to keep this reserve at \$300,000.

### **Overlapping Debt**

Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government.

### **Paying (Fiscal) Agent Fee**

Fee paid to the financial institution that receives and disburses bond payments made on the City's debt obligations.

### **Per Capita Costs**

The cost of services per person. Per capita costs are based on the population estimates provided by the North Texas Council of Governments.

### **Performance Measures**

Specific, quantitative measures of work performed within a City department.

### **Personnel Services**

The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

### **Proprietary Fund**

A fund to account for activities that focus on operating income and cash flows. Such activities are often business-like, whether internal or external operations, to the organization.

### **Purchase Cost of Power**

Although the Weatherford Electric Utility has the ability to generate electricity for distribution, it is often more cost-effective to purchase electricity (power) and subsequently pass it through to its rate payers. A portion of the electricity rates are designated to offset the cost of purchasing power.

### **Refunding**

The issuance of new debt whose proceeds are used to repay previously issued debt.

### **Reserve**

An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

### **Revenues**

All amounts of money earned or received by the City from external sources.

### **Revenue Bonds**

Bonds usually sold for constructing a project that will produce revenue for the governmental entity. All or part of the produced revenue is used to pay the principal and interest of the bond.



## Appendix G—Glossary

### **SCADA**

Supervisory Control and Data Acquisition is an automated system that is the normal daily means of water system operation. This automated system records flow data and operates pumps and valves.

### **Self-Sustaining**

Because the electric, water, and wastewater systems are all located within the same fund, there have been years in which the revenue of one utility will pay for some of the expenses of another utility. In FY13, this cross-subsidization has been eliminated, and each utility can sustain its own expenses with its revenue.

### **Special Revenue Fund**

A governmental fund that is used to account for activities in which a specific revenue sources is legally restricted for a specific activity.

### **State Infrastructure Bank Loan**

The State Infrastructure Bank Loan (SIB) program refers to a state initiative whereby municipalities may enter into a loan with the state to fund infrastructure improvements. These loans are offered at below-market interest rates.

### **Tap Fees**

Fees charged to join or extend an existing utility system.

### **Tarrant Regional Water District Reserve**

The Tarrant Regional Water District is the regional water supplier for many municipal utilities in the State of Texas. This reserve was set up to offset annual costs above \$110,585 of pumping water into Lake Weatherford.

### **Tax Anticipation Notes**

Short-term, interest-bearing notes issued by a government in anticipation of tax revenues to be received at a later date.

### **Taxes**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

### **Tax Levy**

The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

### **Tax Rate**

An amount applied to the taxable value of assessed property, expressed as so many cents per \$100 of assessed property.

### **Tax Roll**

The official list of taxable property for a given tax year and the amount of taxes levied against each taxpayer.

### **Texas Commission on Environmental Quality**

The Texas Commission on Environmental Quality (TCEQ) is the agency that governs environmental quality standards within the State of Texas.

### **Texas Municipal Retirement System (TMRS)**

An agent, multiple-employer public retirement system. Weatherford provides pension benefits for all permanent employees through a joint-contributory plan in the state-wide Texas Municipal Retirement System.

## Appendix G—Glossary

**Utility Franchise Tax**

A tax paid by the utilities for a special privilege granted by the Weatherford City Council, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**Warrants**

A legal writ authorizing an officer to make an arrest, seizure or search.

# Financial Management Policy Statements

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These policy statements were prepared to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Weatherford.

**The benefits of a financial policy are:**

- Improve and streamline the decision-making process by allowing elected officials and staff to consider approaches to financial management from a long-term perspective.
- Enhanced credibility with the public, investors, and bond rating agencies.
- Provide a sense of continuity as changes occur in elected officials and staff.
- Provide a means for dealing with fiscal emergencies.

Financial policies should be reviewed periodically by the City Council and revised and updated as necessary.

**The following are the fiscal objectives of this policy:**

**Revenues:** Design, maintain, and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.

- A. Balance and Diversify Revenue Sources: Maintain a balanced and diversified revenue system to avoid fluctuations in any one source due to changes in economic conditions that adversely impact that source.
- B. Property Tax Revenues: Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
- C. User fees: Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full cost recovery levels, compare them with current structures, and recommend adjustments when necessary.
- D. Utility/Enterprise Fund Service Fees: Utility rates shall be set at sufficient levels to recover operating expenditures, meet debt obligations, provide funding for capital improvements, and provide an adequate level of working capital.
- E. Administrative Service Charges: An annual administrative service charges due to or from the General Fund from enterprise and special revenue funds for overhead and staff support shall be established.
- F. Revenue Estimates for Budgeting: A conservative, objective, and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services, and reduce the probability of actual revenues being short of budget estimates.
- G. Revenue Collection: The revenue system should be as simple as possible in order to expedite payments. Since a revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue to the full extent allowed by law all delinquent taxpayers and others overdue in their payments to the City.
- H. One-Time and/or Unpredictable Revenues: One-time and/or unpredictable revenues shall only be used for non-recurring capital equipment purchases or retained in fund balance or working capital balances. At no time may the funds be used for recurring costs (salaries, dues, etc...), except for cases of emergency as defined by City Council.

## Appendix H—Financial Policies

**Expenditures:** Prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective, efficient manner.

- A. **Current Funding Basis:** Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance discussed in another section).
- B. **Operating Deficits:** Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
- C. **Capital Asset Maintenance:** As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels and to protect the City's investment in the assets. Capitalization of capital asset shall only occur with assets that have a useful life of at least two years following the date of acquisition, are applied to individual items purchased only and only grouped like assets if it is a material portion of total capital assets, and is not less than \$5,000 for any individual item. Assets shall be reasonably safeguarded, properly accounted for, and prudently insured.
- D. **Program Reviews:** Periodic staff and third-party reviews of programs should be made to ensure efficiency and effectiveness. Privatization and contracting with other governmental agencies should be considered as alternative approaches for service delivery. Programs that are determined to be inefficient or ineffective should be eliminated.
- E. **Purchasing:** Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services. All State and local purchasing policies and laws shall be followed. See City of Weatherford Purchasing Procedures under a separate cover. The use of co-ops and/or interlocal agreements that have already been competitively bid may be used and are even preferred methods of procurement at times.

**Fund Balances/Working Capital:** Maintain fund balances/working capital in the various funds at sufficient levels to protect the creditworthiness of the City, mitigate current and future risks, and to ensure stable rates.

- A. **Governmental Fund's Fund Balance Categories:** City fund balances are divided and designated into various categories based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in a fund can be spent.
  - 1. **Non-Spendable Fund Balance** are amounts of the City's fund balance that are:
    - i. not in a spendable form including inventory and prepaid items,
    - ii. cannot be converted to cash within the current period including long-term portion of loans receivable and non-financial assets held for resale, or
    - iii. are required to be maintained intact pursuant to legal or contractual requirements including an endowment or permanent fund.

The City has various amounts of non-spendable monies in various funds but only has one permanent fund and it is the Permanent Library Fund.

- 2. **Restricted Fund Balance** are amounts of the City's fund balance that reflect resources that are subject to ex-

## Appendix H—Financial Policies

ternally enforceable legal restrictions including those imposed by:

- i. creditors (through debt covenants),
- ii. grantors,
- iii. contributors, and
- iv. other government's legislation or regulations.

City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain a target twenty percent (20%) of operating budget in restricted fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of unassigned funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Restricted special revenue funds of the City include State/Federal Forfeiture Funds, Hotel/Motel Tax Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Juvenile Case Manager Fund, SFX Grant Fund, and Weatherford Aerospace Grant Fund. Other restricted funds include all capital bond issuance funds and the General Debt Service Fund.

3. Committed Fund Balance are the amounts of the City's fund balance that represent resources whose use is constrained by limitations of the City Council and that remain binding unless removed, modified, or rescinded by the City Council prior to the last day of the fiscal year for which the commitment is made.
  - i. Stabilization Arrangement for General Fund: It is the goal of the City to achieve and maintain a minimum of committed fund balance in the general fund of 90 days of the operating budget for that fiscal year. This amount is annually and formally, through this policy, set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year.
  - ii. Other Post Employee Benefit Committed Fund Balance: This amount is annually and formally, through this policy, set aside by the amount appropriated through the budget ordinance, for each fund applicable for use to pay current and/or future other post employee benefits.
  - iii. Other Fund Committed Fund Balances: Funds created by the City for a specific service or purpose shall retain in each of those specific funds its remaining fund balance for use only in compliance with original purpose of the fund and/or revenue source. Any special revenue funds that pay any personnel services shall maintain a target twenty percent (20%) operating budget committed fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Committed funds include Weatherford Beautification Fund, Chandor Gardens Fund, Library Fund, Animal Shelter Fund, General Capital Projects Fund, Park Development Fund, and Park Special Revenue Fund.
4. Assigned Fund Balance are those amounts of the City's fund balance that reflect the government's intended use of resources. This would include any future appropriation amounts of fund balance. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose but retains the power of final appropriation of those funds.
5. Unassigned Fund Balance are those amounts of the City's fund balance that are excess of what can properly be classified in one of the previous four categories. These funds are available for any purpose. Unassigned fund balance shall be held to mitigate financial risk that can occur from unforeseen revenues fluctuations and unanticipated expenditures, and provide cash flow for the City's general operations. Annual amounts may



## Appendix H—Financial Policies

vary pending tolerable risk associated with volatility of the economy or exposure to natural risks. Fund unassigned balance should be used only for emergencies, major capital purchases or non-recurring expenditures that cannot be provided by savings in the current year.

- B. Order of Expenditure of Fund Balance: When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds.
- C. If amounts in a non-spendable form would someday convert into a spendable form and those funds would then be restricted by one of the fund balance categories listed in this policy, those assets should always be classified into that category.
- D. Working Capital of Proprietary Funds: Positive working capital shall be maintained in enterprise operating funds in order to ensure that sufficient reserves are available for emergencies and revenue shortfalls. In the Municipal Utility Fund an operating reserve will be established and maintained at 60 days of the fiscal year's budget established for operations and maintenance (total budget less debt service and capital project expenditures). Consideration shall be made in the future to increase the number of days in the Utility Fund once rate structure is fully implemented. In the Solid Waste Enterprise Fund an operating reserve will be established and maintained at 90 days for the fiscal year's budget established for maintenance and operations. This reserve should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the reserve fall below the acceptable level, recommendations will be made on how to restore the reserve to its appropriate level in a timely manner. The reserve must be restored to its appropriate level within one fiscal year.

**Capital Expenditures and Improvements:** Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.

- A. Capital Improvement Planning Program: An annual review of the need for capital improvements and equipment should be conducted to evaluate the current status of the infrastructure, replacement and repair and any potential new projects. All projects, both ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
- B. Scheduled Replacement of Capital Assets: An annual schedule should be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
- C. Capital Expenditure Financing: There are three methods of financing capital requirements:
  - 1. Budget funds from current revenues.
  - 2. Use funds from fund balance/working capital as allowed.
  - 3. Borrow money through debt.Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements. Guidelines for assuming debt are established in the Debt Policy Statements.
- D. Capital Projects Reserve Fund: A fund can be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General Fund unassigned fund balance. This fund should be used to pay for capital improvements and equipment with an expected life of greater than 10 years.

**Debt:** Establish guidelines for debt financing that will provide capital equipment and infrastructure improvements while minimizing the impact of principal and interest payments on current revenues.

- A. Use of Debt Financing: Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements shall be used only when capital assets cannot be financed from current revenues or when the useful life of the asset or project exceeds the payout schedule of any debt.

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- B. **Assumption of Additional Debt:** Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability to support additional debt service payments.
- C. **Affordability Targets:** An objective analytical approach should be used to determine whether or not new general-purpose debt can be assumed beyond what is retired each year. Generally accepted standards of affordability should be used in the analysis. These include debt per capita, debt as a percent of taxable value or revenue source, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The direct costs and benefits of the proposed expenditures should be examined. The decision to assume new debt should be based on the costs and benefits plus the ability to assume the new debt without detriment to the City or its citizens.
- D. **Debt Structure:** Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.
- E. **Bond Coverage Ratios and Reserves:** Bond covenant requirements shall be followed completely.
- F. **Competitive v. Negotiated:** The City will analyze on a per issue and market basis the desire to utilize competitive versus negotiated sale of bonds.

**Budget:** An annual strategic planning session at the start of the budget process in the early spring should occur. The City Manager shall prepare and submit to the governing body, prior to the beginning of each fiscal year, a budget of estimated income and proposed expenditures for the ensuing year, showing in as much detail as practicable the estimated amount required for the efficient operation of each department of the city government under his/her supervision and the reason for such estimated expenditures and be responsible for its administration after adoption. The submitted budget shall be a balanced budget with operating current revenues, exclusive of beginning resources, greater than or equal to operating expense / expenditures with consideration of previously stated use of one-time / unpredictable revenues, use of available fund balances, and the inclusion of sufficient fund balances as stated.

**Investments:** Invest the City's operating cash to ensure its safety, provide for necessary liquidity, insure public trust, and optimize yield.

Funds of the City should be invested in accordance with the City of Weatherford Investment Policy, which is under a separate cover, so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, insure public trust, and to optimize yield. Interest earned from investments shall be distributed to the operating and other City funds from which the money was provided.

**Fiscal Monitoring:** Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

- A. **Financial Status and Performance Reports:** Monthly reports showing the cumulative income and expenditures of each department for the preceding months, and a comparison of such monthly expenditures by department with the monthly allowances made for such departments in the annual budget and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager and the City Council.

**Financial Consultants:** With available resources, employ the assistance of qualified financial advisors and consultants, as needed, in the management and administration of the City's financial functions.

These areas include but are not limited to investments, debt administration, financial accounting systems, program evaluations and financial impact modeling. Advisors should be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

**Accounting, Auditing and Financial Reporting:** Comply with prevailing federal, state and local regulations. Conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

- A. External auditor rotation is not required but the City should circulate requests for proposals for audit services at

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least every five years.

- B. Internal auditing should be performed as necessary, as risks warrant, and expanded as resources permit.

**Internal Controls:** Provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. At all times the City shall maintain an environment conducive to good internal controls. Each Department Manager is responsible to ensure that good internal controls are followed throughout his/her department, that any and all guidelines on accounting and internal controls are implemented, and that all auditor recommendations are addressed.